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ABSTRACTS

Images of China's Social Structure: The Changing Perspectives of Canton Students

By A. CHAN

Based on documentation and in-depth interviews with 14 emigrants from China, this study traces changing perceptions of China's social structure by different urban social groups. Each group adopted a perspective that best served its own interests. In the fifties and sixties these images did not necessarily coincide with—but nonetheless were within—the bounds of the image propagated by the Chinese authorities. During and since the turmoil of the Cultural Revolution, a new perception of society has been formulated particularly by people from the former middle classes: the issue centers on whether a new bureaucratic class has emerged in China. The article closes with a discussion of the authorities' recent attempts to redefine popular images of the social structure in response to a changed social reality and China's eagerness to modernize.

Political Use of Recognition: The Influence of the International System

By M. J. PETERSON

This article inquires into changes in the distribution of power and the extent of ideologically based conflict in the international system as they affect one aspect of international law, the recognition of new governments. These effects are assessed by analyzing instances in which recognition is used as a device for expressing opinions about or securing specific commitments from a new government. An examination of such instances since 1815 leads to the conclusions that (a) the distribution of power makes a difference only when the international system, or the new government's regional subsystem, is dominated by one strong power; (b) the extent of ideological conflict has a significant effect on expressions of opinion; and (c) a number of additional factors also affect all political uses of recognition.

U.S. Policy toward Foreign Direct Investment

By R. T. KUDRLE and D. B. BOBROW

Foreign investment policy is an increasingly important part of overall foreign policy. The authors investigate the substance of U.S. outgoing foreign direct investment (OFDI) and incoming foreign direct investment (IFDI) policy in terms of a small set of policy values and process factors. The policy values are domestic prosperity, national autonomy, and national security. The process factors are ideological consonance, impact transparency, the diffusion and concentration of perceived costs and benefits, and the political capacity of groups and institutions. These considerations illuminate the relative stability in both areas of policy since World War II, and help to explain the changes that did take place. The paper concludes with a forecast that, despite the oft-heard prediction that economic nationalism is on the increase, U.S. policies toward foreign investment will remain much the same during the eighties as they have been since World War II.

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Crises in World Politics

By M. BRECHER and J. WILKENFELD

In examining patterns in international crises, the authors offer one path to a concerted attack on a central phenomenon in world politics. After surveying the relevant literature, including competing definitions, they set forth a conceptual map of international crisis variables: actor attributes (age, territory, regime, capability, values); system characteristics (size, geography, structure, alliance configuration, stability); and the crisis dimensions they wish to explain (trigger, actor behavior, superpower activity, and the role of international organizations—that is, crisis management, outcome, and consequences). From this taxonomy they have developed a research framework on international crisis, and, as an illustration of more narrow explanatory devices, a crisis management-outcome model. Three clusters of hypotheses on the substance and form of crisis outcomes, and the duration of crises, are then tested against the evidence from 185 cases for the period from 1945 to 1962. The ultimate aim is to illuminate international crises over a 50-year period, 1930–1980, across all continents, cultures, and political and economic systems in the contemporary era.

The Formation of Soviet Foreign Policy: Organizational and Cognitive Perspectives

By R. M. CUTLER

Several recent studies of Soviet foreign policy formation have sought to bring organizational and cognitive considerations to bear on the subject. The article evaluates these perspectives and suggests how future research may, through the use of cognitive methods of analysis, distinguish formally between different conceptualizations of Soviet foreign policy formation, thus permitting a more rigorous empirical examination of the organizational issues involved. A model of inference that accounts for organizational and cognitive links between the Soviet press and Soviet foreign policy formation is also constructed; examples are drawn from the items under review. In conclusion, the article outlines a research strategy for cumulating knowledge about how the Soviet system works, and specifies what the organizational and cognitive frameworks for the study of Soviet foreign policy formation may contribute to such a project.

Current Studies of Peasants and Rural Development: Applications of the Political Economy Approach

By F. D. COLBURN

Much of the recent writing on peasants and rural development is based on a political economy model. This approach, best exemplified by Samuel Popkin's *The Rational Peasant*, sees the peasant as a self-interested rational actor, and develops a unifying investment logic to explain economic and political decisions. It is a more sophisticated approach than earlier attempts at applying a political economy model because it recognizes that income-maximization is not the exclusive means for self-improvement. Equally important, it also recognizes that, although individuals tend to be efficient in their use of resources, problems of cooperation and organization often prevent villages from being economically efficient. Although this type of research tends to be as empirical as earlier, more anthropologically oriented work, it promises to be more helpful in building generalizable theory about peasants, and in aiding practitioners in rural development.

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IMAGES OF CHINA'S SOCIAL STRUCTURE: The Changing Perspectives of Canton Students

By ANITA CHAN

DURING the three decades of Chinese Communist government, the Party has not only sought to engineer a new economic system, a new class structure, and new norms of political behavior; it also has actively tried to reshape the populace's perceptions of Chinese society. In this paper, I shall explore this effort, at the same time showing how government programs have produced results that are at odds with government blueprints. The perceptions of society adopted by various sectors of the population have differed distinctly from those of the Party leaders.

These perceptions will be studied through the evolving subjective consciousness of one particular generation of urban Chinese: young people from the city of Canton who, as of 1982, are in their early and mid-thirties. They were interviewed in great detail about their experiences while growing up, and about the images of China's social structure they held during their early youth and adolescence.[1]

Perceptions of Social Structure

Stanislaw Ossowski's theoretical formulations about social class provide a useful framework for analyzing the interviewees' perceptions. Ossowski argues that different social classes, in order to further their own class interests, adopt a particular image of their own society's structure. Ossowski posits, too, that each class either tends to locate class confrontation at those points that best serve its class interests, or, alternatively, chooses strategically to ignore the existence of class confrontation. In his work, Ossowski identifies three basic schemata that different thinkers (and different social groups) have used for interpreting social structures:

[1] A set of two hundred interviews in Hong Kong with fourteen respondents in 1975-1976 resulted in more than 3,000 pages of transcripts. In addition, I have had access to Stanley Rosen's and Jonathan Unger's transcripts of interviews with some four dozen additional young people. Along with official documentation from China, these interviews provide the underpinnings for this paper. The respondents came from all class origins, but the majority were of middle-class status. Much of my attention will therefore be directed toward the perceptions and dilemmas of middle-class students from Canton. Except where noted, all translations of interviews and articles are by the author.

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(1) *The dichotomic schema.* In the dichotomic conception, society is defined as dominated by two classes that exist interdependently—the ruler and the ruled (possessing or being deprived of power), the rich and the poor (controlling or being deprived of wealth), and so forth.[2] Marx and Engels, for example, predominantly viewed society as dichotomically polarized between the bourgeoisie and the proletariat, with intense confrontation marking the boundary between them.[3]

(2) *The gradational schema.* The social structure here consists of many strata. Stratification is based either on one criterion, such as wealth (e.g., income), or a synthesis of several criteria such as wealth, educational level, social status, occupation, life style, and so forth. This framework allows adjacent classes to meld into one another; it de-emphasizes the intensity—or even denies the existence—of class struggle in society. This schema is often used by American social scientists when propounding the classlessness of American society.[4]

(3) *The functional schema.* The functional conception divides society into classes based on the contributions that each makes to the society. Though sharp distinctions between classes are recognized, the notion that each class fulfills a necessary social role by occupying its particular place in the division of labor de-emphasizes social conflict.[5]

In the following pages, I shall analyze how different groups of young people in China, over a period of three decades, took on these various images of social structure, each group emphasizing one perception and assiduously ignoring the others. I will not attempt to deal with the definition of class or the theoretically complex and often emotional issue of whether there are classes *per se* in China or other socialist systems. To avoid semantic confusion, large social collectivities will be referred to as "social groups." The term "class" will be employed only in the way the Chinese authorities and the Chinese people use it.

The Leadership's Conflicting Message

The Chinese ruling elite—even more than the ruling elites of most other societies—has tried to instill in the people, particularly the young-

[2] Ossowski, *Class Structure in the Social Consciousness* (London: Routledge & Kegan Paul, 1963), 19-37.

[3] Ossowski discusses how Marx actually used all three schemata: As a revolutionary, he used the dichotomic schema; as a sociologist, the gradational; and as a theorist, the functional. *Ibid.*, 69-88.

[4] *Ibid.*, 38-57.

[5] *Ibid.*, 58-68. For a shorter and slightly different version of the three schemata of social structure, see Ossowski, "Old Notions and New Problems: Interpretations of Social Structure in Modern Society," in André Béteille, ed., *Social Inequality* (London: Penguin Books, 1969).

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er generation, an official image of their social structure, together with a value system which supports that image. Members of the generation born immediately after Liberation (1949) were considered as blank sheets of paper on which anything could be written. The new Chinese government proclaimed its great faith that they would grow up to be "new socialist men," internalizing the officially sanctioned social values and images.[6]

Although at school, the processes of political socialization that aimed to achieve these ends were intense and all-embracing, the young people had to reconcile two conflicting value systems that were taught, because different sections of the Party elite at times espoused contradictory messages. The "Maoists" advocated human will as the prime force for economic development; the "modernizers" believed in the necessity of expertise for China's development. The children were taught that both elements were essential; according to the slogan, one should be both "red and expert." In reality, however, these two elite factions—and the different social groups themselves—at times came to treat red and expert as polar types that were mutually incompatible. In the Cultural Revolution, this was a principal element of what was officially called "the two-line struggle."

We shall see how this disagreement, originating at the upper levels, promoted antagonisms among the different social groups of young people. To explicate how this came about, my analysis will be divided into five periods—the fifties, the pre-Cultural Revolution sixties, the Cultural Revolution, the Maoist seventies, and finally the post-Mao seventies. Each section will contain a brief discussion of the dominant official messages, insofar as these were salient in shaping the young people's conceptions of and attitudes toward the social system.

Establishment of a New Official Social Hierarchy: the fifties

When the interviewees first entered primary school in the mid-fifties, they were not aware that their social positions in Chinese society were more or less fixed. Most of them did not know that during the first few years after Liberation, their parents had had to respond to official inquiries regarding their occupations and sources of income for the three years before 1949. Based upon this information, their parents had all been assigned "class status" labels. The children first came into

[6] Anita Chan, *Children of Mao: A Study of Politically Active Chinese Youths* (London: Macmillan, forthcoming), chap. 2.

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contact with this fact when they were required, in second or third grade, to fill in forms to be entered into their primary-school dossiers. Most of them had to seek help from their parents to find out what their inherited "class status" was. By the time they were teenagers, that status had become the frame of reference by which the students ranked each other.

TABLE 1

OFFICIAL "CLASS" CATEGORIZATIONS IN CHINA
(Inheritable in the Male Line)

I. Good-class origin (*jieji chengfen haode*)
   A. Politically "red" inheritance (families headed by pre-Liberation Party members)
   B. Working class
      1. Pre-Liberation industrial workers and their families
      2. Former poor and lower-middle peasant families

II. Middle-class origin (*yiban chengfen*)
   A. Non-intelligentsia middle class
      1. Families of pre-Liberation peddlers and store clerks, etc.
      2. Former middle-peasant families
   B. Intelligentsia (pre-Liberation white-collar workers and professionals)

III. Bad-class origin (*jieji chengfen buhaode*)
   A. Families of former capitalists
   B. Families of "rightists" (label denoting those who had been too outspoken in the Hundred Flowers campaign of 1957)*
   C. Pre-Liberation rich peasant families
   D. Families of "bad elements" (label denoting criminal offenders)*
   E. Pre-Liberation landlord families
   F. Families of counterrevolutionaries*

* These particular labels do not derive from prior economic standing, but from "historical" errors. In this gradational schema, however, these were treated as tantamount to "class" labels. There was a special complexity here, though; for instance, the son of a "rightist" of proletarian origin was of a better bad-class status than the son of a "rightist" of middle-class origin.

Obviously, this official gradational schema bears little resemblance to the gradational schemata of Western social scientists, who talk of strata and quartiles, of occupation, wealth, and lifestyle, of white-collar work as higher in status than manual, of educated as against illiterate, and so forth. Such formulations often reflect the social scientists' own biases, but they are not conceived with the object of promoting social change. The Chinese Communist government, on the other

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hand, approached the creation of a gradational schema from precisely that perspective.

China's structure of official "class" categories was put forward with basically three purposes in mind. First, it was established as a political instrument—to facilitate the redistribution of wealth and opportunities to the formerly exploited social groups, and to control formerly exploiting social groups so that they could not stage a comeback. By categorizing families and assigning class status labels, for instance, the Party was able to carry out land reform in a systematic manner. Furthermore, in the cities this system could be used to obtain a better redistribution of educational opportunities. The children of the old professional classes were reared in a family environment conducive to studying, and therefore continued to hold an edge in climbing the educational ladder. After a class origin had been recorded for each child, the children of peasants and workers could easily be identified in a Chinese version of the U.S. affirmative action program.

Second, the gradational schema was supposed to facilitate acceptance of a new set of social values. The old social value system was an impediment to the kinds of change that the Party wanted to institute.[7] The new government hoped that, by officially reallocating the status of different social groups, new values—the dignity and virtue of manual labor, for example—would be more easily accepted by the whole society. The children's textbooks pictured the peasants and workers as of a higher social prestige; the pre-Liberation capitalists and landlords, because of their former lifestyles and attitudes, were disparaged as "bad-class."

The superior official "class" status of high-level army and Party officials brings us to the third function of the new social schema. It was to serve as an instrument to sustain the new status quo. The rationale was that high-level army officers and Party cadres, having been in the vanguard of the violent stage of the revolution, deserved special respect under the new social order. In order to justify their claims to high social status, they were described as the genuine bearers of the "proletarian consciousness." The peasants and workers who had benefited most came next in political reliability and consciousness, and therefore deserved a higher political status than the former middle or bad classes. This hierarchical ordering of social groups gave the new rulers access to a broad base of support: the 80-some percent of the population who had been designated as being of "good-class" status.

[7] On this subject, see Frank Parkin, *Class Inequality and Political Order* (St. Albans, England: Paladin, 1972), 79-82.

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Reinforcing this third function of the new gradational framework was the state's presumption that political attitudes would be transmitted from parents to children—that a father's "political reliability" and "revolutionary nature" would tend to be hereditary. On these grounds, a family's rank in the gradational hierarchy was to be retained from one generation to the next. The state expected that political support for the Party would thus continue among the children of the favored 80 percent of the populace. But perhaps as much to the point was that a hereditary system of class origins ensured that the recently acquired status of the new ruling elite would be passed on to their own children.

When my interviewees entered their class status label into their dossiers, they knew little of its significance, however. The school authorities in the mid-1950s did not strongly impose the gradational schema on the children. On the contrary, they predominantly presented to the children the two other images of social structure: the functional and the dichotomic. In the fifties, the Chinese leaders still basically agreed among themselves that, in order to modernize China, the state needed the skill and cooperation of the pre-Liberation and newly trained professionals. Mental labor, though not glorified, was at least given a political standing equal to manual labor. The socioeconomic status of the educated middle classes was thus preserved despite their political demotion below the peasants and workers.

In school, the predominant message was to "study for the revolution." Students were taught that they could best serve society by aspiring to become specialists. The educational system was geared toward the training of expertise. Using the meritocratic principle, there were examinations at each rung of the educational ladder to sort out who was fit to move up. The children of professionals and of the former bourgeoisie continued to be favored under the new system; the social reality of the fifties contradicted the new official model of social stratification.[8]

The functional schema was used to explain away this inconsistency. The image sketched for the children was that Old Uncle Peasant grew cereal, Young Uncle Worker manufactured steel, Young Uncle Soldier defended the country, and that the teacher was the engineer of the human soul. The various social groups were depicted as contributing to the building of socialism in their own distinct and separate ways. Each was said to be necessary for economic development. There was no allusion to differences in the value of the contributions of each. China's social groups—described by their occupation (not by their

[8] Jonathan Unger, *Education under Mao: Class and Competition in Canton Schools, 1960–1980* (New York: Columbia University Press, 1982), chap. 1.

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relationship to the means of production) and bound together by the necessity for the division of labor—represented a horizontal (not hierarchical) social relationship. Their interaction was one of cooperation, not of social conflict or competition.

The third image of the social structure, a highly dichotomized view of society, was also inculcated into the minds of the children. Individuals and groups were categorized as being either among the "people" or in the camp of the "enemy," according to their support of or resistance to the regime. The "people" included *all* the social groups that were not "enemies"; they were treated almost as an amorphous mass, with a sharp line drawn between them and the "enemy" camp. The children of good- and middle-class status could take it for granted that they were among the "people." In the storybooks, the villains in the enemy camp were always portrayed as bad-class people. In this picture of class struggle, unrelenting vigilance on the part of the "people" was necessary to prevent the "class enemies" from staging a counter-revolution. By creating a dangerous class-enemy, the Party hoped it would be easier to rally popular support behind government policies.[9]

As is true in other countries, what the children were taught in school succeeded in coloring the perceptions of most of the interviewees.[10] They grew up stereotyping "bad-status" people by their ascriptive class characteristics. Even those few who tried to evaluate people as individuals were influenced in their feelings by the pressure of their peer group.

The children also believed in the other two images of China's social structure. Even the middle-class children from professional households accepted what they were taught about the superiority of the proletariat. They did not disdain manual labor, and remember as "glorious" going out with their classmates to help the peasants with the summer harvests. Still, when they came into contact with real peasants and workers, they had difficulty perceiving them as socially higher than middle-class adults. Moreover, as one interviewee recalls, even though he had written in a school essay that he wanted to be a peasant "and the teacher had brought that out as a good essay, . . . actually [I thought] being an engineer was better than being a peasant; you could contribute more." The children romanticized about the glory of abstract peasants

[9] For historical parallels, see Ossowski (fn. 2), 32, 37.

[10] On the West, see e.g., Fred I. Greenstein, "The Benevolent Leader: Children's Images of Political Authority," *American Political Science Review*, Vol. 54 (December 1960), 934-43; Greenstein, "The Child's Conception of the Queen and Prime Minister," *British Journal of Political Science*, IV (July 1974), 257-87.

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and workers; but with the emphasis on "studying for the revolution" it was extremely difficult for them to believe that the ultimate aim of their efforts at school was to become a manual laborer. If urban children from working-class families did aspire to no more than becoming a worker, it was for pragmatic reasons: their grades were not good enough. The meritocratic principle continued to preserve the higher social status of the middle class and to limit the chances and aspirations of children from semi-literate working-class families.

The children encountered additional class differences in their daily experiences. Former middle-class families had been allowed to retain their private possessions and family residences, and they continued to receive a higher salary from the socialist government. These lingering differences were reflected in the clothing and spending habits of their children. They could afford leather shoes, snacks, toys, and books; they could even own fountain pens. Their family environment had taught them to be more genteel and to maintain a social distance from the "rough" children of the working-class families. The visible differences and social distance helped to shape their own scale of social stratification among different groups of children, and their own sense of where they stood socially among their classmates.[11] By the mid-1960s, however, these notions had changed.

The Changing Criterion for Upward Mobility: the early sixties

During the fifties, not many worker-peasant children had been candidates for a university education. Indeed, so few young people had had the required senior high school training that the expanding university system had too few qualified applicants, and even children of bad-class status were allowed to attend university. But by the early sixties, the rapid expansion of mass education after Liberation had made entry to higher educational institutions highly competitive. Accordingly, as Mao gained an upper hand vis-à-vis the modernizers in 1963, the government began to move more strongly toward the redistributive goals implicit in the gradational scale. Greater weight in admissions policies was given to class labels so as to offset the generally inferior academic records of the children of good-class workers and peasants. This policy of favoring the formerly exploited classes was known as the "class line." Students of middle- and bad-class status saw their chances being eroded. On the other hand, the students of good-class status did not

[11] Chan (fn. 6), chap. 2.

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see a noticeable expansion of their opportunities. By the mid-1960s, the universities could accommodate only a relatively small fraction of the senior high school graduates: in Canton in 1965, only some 20 to 30 percent were accepted.[12] The sense of competitiveness among all young people sharpened.

Both "expertise" and "redness" were being counted toward admission to higher education. "Expertise" meant academic excellence. "Redness," however, was more complex. In Chinese, the word actually connotes two very different things. One is the possession of a "revolutionary nature" by virtue of either one's own class status or one's father's class status—i.e., one may be "red" by birth. The other meaning involves one's own demonstration of "revolutionary" behavior. The issue was how much weight each of these three criteria should be given in university enrollments: (1) "expertise" as shown in examinations; (2) "redness" by birth; and (3) "redness" as seen in an activist political record and membership in the Communist Youth League. Different students naturally wanted the emphasis placed upon whichever criteria were most advantageous to themselves. Four broadly different groups can be identified: the students were labeled as being of bad-class, middle-class, and good-class, the latter being further subdivided into the children of cadres as one group and those of workers and peasants as another. By the eve of the Cultural Revolution, each of these four groups had developed different strategies for moving up the social ladder and had begun to develop a separate identity and self-image, as well as a separate view of what its own social standing should be.

Those in the "bad classes" (at the bottom of the scale) constituted the most distinct group, as outcastes. As the class line and class education were reinforced, they faced constant pressure from Communist Youth League members to criticize and "draw the line" against their own parents. Socially, they were increasingly avoided by schoolmates who were of a better class status.

As a defense against this open discrimination, they formed a separate subculture, with its own norms of behavior. Since they had little chance of joining the Youth League, most of them exhibited only the modicum of progressive behavior that had become necessary to ward off criticism. They were "backward elements," unassertive, reticent, careful in speech and action, passively compliant and, very often, hard-working in their studies. Their only hope was an academic record so

[12] Anita Chan, Stanley Rosen, and Jonathan Unger, "Students and Class Warfare: The Social Roots of the Red Guard Conflict in Guangzhou (Canton)," *China Quarterly*, No. 83 (September 1980), 399.

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outstanding that the authorities would overlook their bad-class background. They could not escape the ritual of drawing the class line with their parents; but in order to maintain an inner integrity, they had arrived at an informal agreement with classmates who similarly were outcastes. A bad-class student who went beyond the unwritten ritualized limits and truly exposed his father's private affairs was treated as a contemptible traitor by his bad-class peer group. Unlike most of the others, bad-class students privately were often cynical. They were aware of the inconsistencies between government slogans and the realities they faced. They understood perfectly what the class line meant regarding their own situation. The oft-quoted slogan of 1965, "There is the theory of class origins, but do not talk merely about class origins; emphasize [political] performance" gave them little encouragement. For them, only the first words of the slogan applied; the rest was rhetoric. Although they despised the system of ascriptive labeling and disliked the notion of inheritability of "class nature" and the dichotomic image of the social structure, they were the group that most readily believed that there was such a thing as a "class seal": feeling they had been pushed beyond the pale, they were much more conscious of their group identity and separate interests than the other student groups.

The middle-class students, especially the children of professionals, were, after the cadres' children, the system's favored group. During the fifties they had been granted access to both channels of upward mobility—through the Party machinery and the educational ladder. Since they did well academically, children from this group tended to dominate the posts of student officers in the primary schools. Due to the influence of their family upbringing, they constituted the most achievement-oriented of all the student groups. They generally accepted the system and were committed to the ideology.

These students prided themselves upon their academic superiority even in ideological terms—as being valuable in building up the country. They believed they were genuinely red and expert: "red in heart, if not red by blood." But with the tightening of the class line, middle-class students began to see their favorable position challenged by the students of good-class origin. As the competitive mood mounted in the mid-1960s, some of the good-class students derided them as "only expert, not red." They were accused of not having "true" class feelings and of acting in a politically enthusiastic manner only in order to get ahead.

The group identity of the middle-class students was less strong than that of the bad-class students. Only when they were challenged *as* a

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group did they begin to see themselves as such. They did not repudiate the Party's premises, however. Most of them recall that they had been willing to treat their bad-class schoolmates as pariahs, partly under social pressure, but partly because they actually believed that members of the outcaste group might harbor "class hatred." At the same time, however, they were unwilling to accept that the good-class students were more "revolutionary" than they themselves were. They preferred the simple dichotomic model of struggle against "enemies," in which they could claim to be as righteously on the side of the angels as anyone. They agreed with the Party's notion that the workers' and peasants' children felt a deep gratitude to the Party; but they could rationalize that the revolutionary fervor of these students was of a lesser order than their own. One of them recalled that:

> From what I could see, those people who were said to have class feelings and deep gratitude to the Party and Chairman Mao actually were just manifesting the selfishness of man. It was the feeling that something or someone has been good to me, so I'm now good to him. Yes, that was how I saw it, that it was a kind of selfishness. On the contrary, though it could be said the Communist Party had not been beneficial to me in any particular way, in my heart I knew I understood it even more, better than those people. Mine was not their kind of narrow-minded emotive infatuation. Mine was at the rational level. I even thought that when the critical moment came, ah, see who could be more loyal to the Party. Mine did not involve repaying what you had done for me.

But the workers' and peasants' children were not the chief competitors of the middle-class students; the cadres' children were. The class line policies of the mid-sixties, intended by Mao and other leaders to favor the disadvantaged workers' and peasants' children, instead were benefiting mostly the cadres' children. Reddest by birth, they had the easiest access to the better high schools and universities. Banking on their "political capital," most of them had easily become even "redder" by joining the Youth League.

The privileged access of the cadres' children to both mobility ladders was regarded with envy by all other groups. But it was the children of the middle-class intelligentsia who considered the new recruitment by class line to be most disconcerting and unfair. These students despised those who rose to the top merely by ascriptive criteria, without having to show talent or having to make a personal effort. Moreover, they saw little of a "revolutionary nature" in the cadres' children. The latter's sheltered, soft lifestyle seemed to contradict the official image of proletarian simplicity and revolutionary sacrifice: many of them had their own bicycles, and a few even came to school in chauffeured cars.

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Feeling that the cadres' children did not warrant any great respect, and recognizing how far most of the workers' and peasants' children lagged behind in academic qualifications, many of the middle-class professionals' children believed that they were the most qualified to become "revolutionary successors"—that is, to hold the positions of responsibility and trust in the next generation. This ambition was not explicitly articulated before the outbreak of the Cultural Revolution, but privately some of them were anxious for China to reject the official gradational schema which since about 1963 had progressively been encroaching upon their chances for elevation.

The more ambitious of the workers' and peasants' children knew they could not hope to compete with the brightest of the middle-class professionals' children in the academic arena. But they could expect to achieve an equivalent social status at school by claims to a superior "natural redness." Naturally, they welcomed "redness" superseding "expertise" in recruitment policies for higher education and the Communist Youth League. Yet, when they were matched up against the cadres' children, they always came off one notch lower: their parents were merely recipients of the revolution, not its originators. By the gradational scale that they themselves supported, they were less "revolutionary" in nature than the children of the cadres. Thus, these workers' and peasants' children harbored resentment both against the middle-class professionals' children for their academic superiority and against the cadres' children for their successful presumption of political superiority. But they were less ambitious than the middle-class professionals' children in challenging the cadres' children. The only students over whom they could safely claim superiority were their bad-class schoolmates. We shall later observe how they played upon these presumptions of superiority in the early months of the Cultural Revolution.

The children of the cadres—especially the high-level ones—staunchly and unquestioningly held to the government's gradational scale. They deviated from the official line only in their eagerness to rigidify the gradational class boundaries. They thought they were superior to others in all respects but one—they did not do as well in their studies as their middle-class professional and bad-class schoolmates. For this, there were at least two reasons: first, due to the class line policies, they had been able to enter schools that normally would have rejected them on academic grounds, and they thus almost always found themselves in the bottom half of their class; and second, since their opportunities of getting ahead were assured, they had less incentive to study. But they

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resented being outperformed academically by sons and daughters of class enemies and the former petite bourgeoisie. Venting their frustration, they were among the first to call middle-class students "white experts," discounting academic excellence as a qualification for higher education. Of what good to the revolution, after all, were unreliable "white experts"? At the same time, they patronized worker-peasant classmates whose "natural redness" was by definition of a lower order than their own. Some of them even felt less need and inclination to exhibit political enthusiasm. They knew they would still be sought after by Youth League branches eager to accommodate the class line, and that they were bound to receive high grades in politics courses. As one interviewee cynically remarked, "it would be too embarrassing otherwise."

But most of the other students, in order to justify their claims to legitimacy, had to vie, each in their own way, to prove their "revolutionary proletarian nature." The middle-class students in particular had to make up for their innate deficiency in "natural redness" by becoming especially "red" through political performance. Among this group, we can find the greatest inner urge to become "proletarianized" by conforming to Party teachings. One politically very active interviewee graphically described the class hatred she tried to force upon herself:

> I tried to cultivate in myself the feelings of the poor and lower-middle peasants. The conflict between the [former] poor and exploited peasants and the [former] landlords' interests really was a deep-rooted conflict, a matter of life and death. Those rich and powerful landlords are now powerless and the poor peasants have taken their place. They stand opposed to each other, and we have to stand on the side of the [former] poor and those who suffered. So we are enemies of the former landlords. The class enemies are bound to hate us. I shunned these people. I took them as horrible, fierce. . . . I dared not talk to them in case I got muddled up. I must hate them, otherwise I might make a slip, lose my proletarian feelings.

Again and again, interviewees related the frustration of trying without real success to adopt the feelings of another class or another generation, in an attempt to imitate a feeling that was a product of a past social reality.

For some of these students, the effort to force themselves into the expected righteous mold involved a threat to their own integrity; after all, mixed in with the sincerity of the effort was usually the ulterior motive of getting ahead by "proving" themselves. A middle-class student made the following observation of his middle-class schoolmates who felt the need to prove their "proletarianism" by sobbing aloud

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when old pre-Liberation workers and poor peasants were invited into the schools to "recall bitterness." The idea was for young people who had not lived through the years of suffering to have a chance to empathize with the previously exploited:

> When I heard these old peasants talk I was very moved because I had never heard of that before. It was then that I realized: wow, the peasants had such hardships before. And I realized how lucky we were. But when some of the girls burst out crying, I found it comical. The teachers praised them for having class feeling! Those girls were like that: if one did it, the rest would follow. It was like a fad, as if the more and louder you cried, the more class feeling you had.
>
> Later we were numbed [by the repetitiveness]. We knew we couldn't joke, grin, or look around when the session was going on. We had to put down our heads, pretending, as if we were thinking. When those girls wailed we found it obnoxious, because we weren't at all really sad and had to lower our heads, and there they were crying away!

Such forced behavior only fed the suspicions and disdain of good-class students whose "natural redness" obviated any need to prove where they stood.

TOWARD THE ESTABLISHMENT OF AN ESTATE SOCIAL SYSTEM

Several features characterize an estate system: (1) the closed nature of a gradation of social groupings designed by law: (2) the hereditary nature of social status; (3) extreme restrictions on mobility across social-group boundaries (though these are not as impermeable as caste boundaries); and (4) the priesthood as one channel of upward mobility open to all estates.[13]

The groundwork for an estate system had already been laid in the fifties. The official designation of class status labels and the inheritability of these labels (in the male line) were in keeping with the first two characteristics of the estate structure. Beginning in the sixties, moreover, the meritocratic principle began to be displaced by the ascriptive characteristic of "natural redness."

The top Party echelon was internally divided over this latter trend. The modernizers, represented by Liu Shaoqi, were less willing, for the sake of expediting China's economic development, to press for a thorough redistribution of status and opportunities that would favor the good classes. Though they, too, were insistent upon drawing a sharp cleavage between the "people" and the "enemies," pushing the

[13] Ossowski (fn. 2), 63-68; Oliver Cromwell Cox, *Caste, Class and Race* (New York: Monthly Review Press, 1959), 140-46; G. S. Ghurye: *Caste and Class in India*, 2d ed. (Bombay: Popular Press, 1957), 269-72.

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bad-class students out of the competition, their policy would have preserved the chances of the students from the former professional middle classes. Mao Zedong, on the other hand, advocated placing greater importance upon redness (in both senses of the term) as the criteria for individual mobility. He wanted a stronger class line. Were this to be adhered to in access to higher education, as was urged in Mao's name in the mid-1960s, China would gravitate into an estate-like social system. In time, social stratification in Chinese society would be molded into the shape of the official stratification schema. Upward mobility across the strata would be closed off save for one channel.

In an estate system, the priesthood provides the best opportunity for the lower classes to move up the social ladder. In China, the elite organizations such as the Communist Youth League and the Communist Party served the function of a political priesthood. In both cases, the institutions were devoted to propagating a creed that gave support and legitimacy to the ruling elite. They assured for those in power a systematic way to recruit staunch supporters of the system from all levels of society. The criterion for recruitment was ability and acceptance of orthodoxy and the orders of superiors. In China, the policy of giving consideration to "performance" was aimed at opening the elite organizations to deserving people that were not of the good classes—even to those of bad-class origin.

The assumption that a "red" political performance could outweigh class origins lay with the Chinese conception of "proletarian nature." As Benjamin Schwartz has pointed out, by the time Marxism was reinterpreted with a Maoist slant, the meaning of "proletarian" had changed. "With Marx, the concept of the proletariat embraces two essential components. It refers to a specific socioeconomic class conceived of as social bearer of certain transcendental, messianic tasks, and it refers to the syndrome and virtues and qualities which characterize this class."[14] By the time of Lenin, the phrase had altered in meaning: the Communist Party embodied all the transcendental qualities that Marx attributed to the proletariat. With Mao, the proletarian consciousness and virtues became "entirely divorced from their presumed class moorings." The concept had picked up a populist strain; people from all classes could come to possess "proletarian consciousness"[15] by practicing the "proletarian virtues": frugality, poverty, self-abnegation, self-cultivation, patriotism, and obedience to the Party. These

[14] Schwartz, *Communism and China: Ideology in Flux* (Cambridge: Harvard University Press, 1968), 14.
[15] *Ibid.*, 16.

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personal attributes actually transcended class, and bore little relationship to the nature of a "proletarian class."

It was based on this Maoist interpretation of proletarian consciousness that people of non-good class origin could still cling to hopes of advancement. Even in a climate of rapid social closure, it gave them an outlet through which to compete with those possessing innate redness. In the years immediately prior to the Cultural Revolution, the two different interpretations of "redness" came into increasingly sharp conflict. During the Cultural Revolution, the middle-class students and the cadres' children would be openly challenging each others' interpretations.

The Fight over Social Images: the Cultural Revolution

Social development does not always evolve as mapped out in the blueprints of human engineers. In the years leading up to 1966, different types of group consciousness and intergroup relationships had emerged independently of the authorities' design. During the two years of the Cultural Revolution, these already tense relationships flared up in open confrontation. Throughout the process, a new image of the social structure developed, which was different from that of the authorities and from Mao's; in the end, it was articulated as heterodox political theory. In order to understand the dynamics behind the emergence of this new independent conception of China's social structure, we shall have to break down the chronology of the Cultural Revolution into three periods.

Stage one: the authorities' dichotomic image predominates

(From the beginning of the Cultural Revolution in May 1966 to the withdrawal of the Cultural Revolution work-teams from the schools in early August 1966.)

When Mao gave the students the green light in late spring of 1966 to attack "bourgeois academic authorities," he opened a Pandora's box. Having internalized the dichotomic image, the students converted their conscious, subconscious, personal, group, genuine, fabricated, or imagined grievances and frustrations of previous months into a frenetic search for Mao's hidden enemies among the teachers. They denounced and abused various teachers for their "black histories" and alleged "black utterances." In June 1966, Cultural Revolution work-teams under Liu Shaoqi's direction were sent into the schools to stop the chaos.

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The work-teams proceeded to narrow the targets of attack to only those teachers who were from the "five [bad-class] category elements." In some schools, the work-teams set up "cowsheds" where these "ghosts and demons" were imprisoned, systematically maltreated, and even beaten.

To keep the Cultural Revolution safely within the tracks of a "class struggle" crusade, the work-teams also embarked on a course of action that had never before been officially advocated in China's classrooms: they openly evaluated the students' political reliability almost solely in terms of their class status. The exercise was intended to give the good-class students the power to lead their fellows during the great campaign.[16] The criterion of "performance" was almost completely ignored. The work-teams were implementing policies that the good-class students had long wanted to see established.

However, after about a month, in late July, Mao ordered the work-teams to withdraw from the schools, accusing them of seeking to stifle the Cultural Revolution by diverting the "spearhead downward." But Mao was in no way opposed on general principles to this campaign of Party-sponsored "class struggle." The Maoists and the Party modernizers alike had no qualms about maintaining "class struggle" against the five-category elements as deadly class enemies. Both sides were ready to emphasize or de-emphasize the intensity of this "class struggle" according to the political expediencies of the moment.

STAGE TWO: THE BLOOD-LINE THEORY—THE FOUNDATION OF A NEW CASTE SYSTEM

(From the withdrawal of the work-teams from the schools through the Red Terror of September/October 1966.)

Neither of the two power elites, not even the Maoists, wanted a completely closed social system. But the situation in the schools quickly moved into and beyond the estate system. The work-teams had left the good-class students in control of the schools; Mao endorsed that position; and the cadres' children, emboldened by this turn of events, were soon openly asserting their total claim to power, prestige, and opportunity. They formed Red Guard groups to replace the now-discredited Youth League, which, according to them, was infested with impure

[16] The work-teams' actions were similar to what had been done not so long ago in the Chinese countryside in the Four Cleanups campaign. In addition to "cleansing" rural corruption, the work-teams had reinvestigated and categorized the peasants' class backgrounds. The Poor and Lower-middle Peasants Association had been revived to give the good-class peasants more self-identity, power, and status.

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class elements. The Red Guard groups were to consist exclusively of good-class students, headed by cadres' children.

The cadres' children adopted a so-called "blood-line theory," which was succinctly contained in these rhythmic lines:

> If the father's a hero, the son's a great fellow.
> If the father's reactionary, the son's a rotten egg.
> If the father's nondescript, the son's a fence-straddler.[17]

Previously, no matter how the assumption of an inherited "revolutionary nature" was interpreted, the argument rested on the tenet of parental social influence. The new blood-line theory transformed and rigidified the notion of "revolutionary nature" by ruling out the possibility of attaining revolutionary virtue by political activism and correct attitude. Only "red" blood in one's veins was now to be recognized. Essentially, the cadres' children were redrawing the main line of cleavage in society by placing the sharpest social boundary between the good classes and the rest of the social groups. They thereby expected to reduce the number of people in society entitled to share in social privileges and, most importantly, to disqualify their chief competitors, the achievement-oriented professionals' children. The cadres' children could narrow even further the number of people entitled to claim privileges by relegating the workers' and peasants' children to the bottom of the good-class scale. In essence, they were attempting to build a caste-like structure based on hereditary principles.

They aggressively asserted their claims by turning dramatically against the bad-class students. Some of them proposed that bad-class students be separated physically from the better classes, as in a system of racial segregation.[18] Students at one high school in Beijing went so far as to advocate policies not dissimilar to the apartheid policies in South Africa—e.g., to deny to people of bad-class status and their children many of the public services enjoyed by good-class people, and to drive many of them out of the capital into the countryside.[19]

With the powers of the school authorities crippled and the work-teams gone, the high-level cadres' children frenziedly launched what

[17] A new term, "five red type," was coined and counterposed against the "five [bad-class] category elements," which was further extended to "seven black elements." An interviewee reported that in one city yet another term emerged: the "five yellow elements," which included the groups of middle-class status.

[18] The blood-line theory, indeed, was later attacked by a group of non-good class students as a "new racist theory." *High School Revolutionary News* (February 2, 1967, p. 3), trans. in Gordon White, *The Politics of Class and Class Origin: The Case of the Cultural Revolution* (Canberra: Contemporary China Centre Papers, No. 9, 1976), 71-93.

[19] *Ibid.*, 45-46.

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they themselves called the Red Terror. Good-class children went about humiliating and physically assaulting the bad-class "ghosts and demons" among their classmates and in the neighborhoods near their schools. The bad-class students were of course terrified, and once the storm of the Red Terror subsided they stayed home embittered. The further away they kept from the vortex of action, the safer they felt.

The reaction of the middle-class status students was different. They had been the most ambitious and achievement-oriented of all young people. They resented the second-class social position they were thrust into by their erstwhile competitors at school. They were cowed, but only momentarily.

Their chance to take matters into their own hands came in October 1966, when Mao and his top followers in the leadership publicly redrew the premises of the Cultural Revolution. Mao's spokesmen denounced the blood-line theory, pointed to the threat posed by "the handful of power-holders in the Party taking the capitalist road," and invited all students to participate in toppling them from their throne.[20] The middle-class students responded enthusiastically.

STAGE THREE: THE EMERGENCE OF NEW DICHOTOMIC MODELS

(From the emergence of the Rebel Red Guards at the end of 1966 through mid-1968, when Mao put an end to the Cultural Revolution.)

The middle-class students had always considered themselves as part of the "masses," but only in vague terms, and mainly in contradistinction to the "class enemies." However, as they now defined the term, the "masses" were all those ordinary people who had been bestowed by Mao with the power to challenge authorities who were "taking the capitalist road." Just as the blood-line theory had given the cadres' children a claim to absolute innate superiority, so the middle-class students upgraded the superiority of the masses. Armed with this conviction, they set up "Rebel" Red Guard groups to challenge the Party's powers-that-be and the authority of the already existing good-class Red Guards. Thus, two camps of Red Guards emerged: the Rebels and the Loyalists.

What Mao had unleashed could not be so easily reined in again. Fighting between the two factions lasted for almost two years before it was forcibly brought to an end. As has been demonstrated elsewhere, it was "class warfare"—with the middle-class students almost solidly on one side, the cadres' children on the other, and the worker-peasant chil-

[20] See, for example, Lin Biao's National Day speech of October 1, 1966, and an editorial in *Red Flag*, October 3, 1966.

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TABLE 2

FACTIONAL AFFILIATION OF CANTON HIGH SCHOOL STUDENTS IN THE CULTURAL REVOLUTION

"Class" origin	*No. of students*	*Rebel Red Guards*	*Loyalist Red Guards*	*Non-participants*
Revolutionary cadre	285	19%	73%	8%
Working class	537	34%	40%	26%
Non-intelligentsia middle class	302	40%	10%	50%
Intelligentsia middle class	664	61%	7%	32%
Bad class	399	36%	4%	60%

Source: Questionnaire responses covering 50 classrooms; *vide* Chan, Rosen, and Unger (fn. 12), 440.

dren divided between the two groups.[21] The Loyalist Red Guards, as beneficiaries of the *status quo*, were fighting for the existing political structure, in many cases defending their own fathers. The Rebel Red Guards, aligned with other social groups that had grievances against the system, were intent upon promoting changes.

The social structure that the cadres' children had aspired to erect had been clear to themselves and others. That was not the case with the middle-class student rebels. They had not formulated a clear conception of what they wanted; nor did they even have a perceptive understanding of the existing structure. But, as an interviewee who had been deputy commander of Canton's high school Rebel Red Guards asserted,

> It's true that some Rebel Red Guards didn't have a very clear or ideal scenario of the future society. . . . But at least they identified with the fate of the whole revolutionary movement. It wasn't "unprincipled sectarianism" [as Mao was later to claim].[22] It was actually something not much different from identifying with one's own class.

[21] The workers' and peasants' children had once more been placed in an anomalous position in the first few months of the Cultural Revolution. They wanted good-class status to be the foremost criterion for advancement and esteem, but they had ambivalent feelings about the efforts of the cadres' children to base social and political standing entirely upon the gradational scale. On the basis of "class," they had been relegated to the bottom of the Red Guard organization at many of the schools. When the second camp of Red Guards emerged, many of these worker-peasant students defected to the Rebel Red Guards but retained their own good-class combat units. See Chan, Rosen, and Unger (fn. 12), 435.

[22] *Mao Zedong Sixiang Wansui* [Long Live the Thought of Mao Zedong] (Party document, 1969), 681.

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In retrospect, he had touched on an important point: without consciously realizing it, the Rebels were actually fighting for their group interest. But not until the important Rebel Red Guard article "Whither China?" circulated throughout the country at the end of 1967 did some of them place their "enemies" and their own social situation in a coherent framework: a new image of the social structure. The article asserted that there had emerged in China a "bureaucratic stratum," a new "privileged stratum," a stratum of "red capitalists."[23] The cleavage of the antagonistic contradiction in society was shifted from one between the "people" and the "class enemies" to one between the "masses" and this new "privileged stratum." But, for Mao and the Maoist elite, this interpretation of Chinese society was too dangerous to be allowed to take root. In very short order, the article was condemned as "ultra-leftist" and its authors were arrested.

It has been argued by some China specialists that, by the mid-1960s, Mao had formulated a new image of China's sociopolitical structure: that he no longer saw the antagonistic contradiction in Chinese society as lying between the "people" and the former exploitative classes, but rather between the "people" and a "new bourgeoisie"—a privileged political-bureaucratic stratum equivalent to Djilas's "New Class."[24] But that seems not to have been the case: Mao retained the dichotomic premises he had formulated in "Correct Handling of Contradictions Among the People" in 1957. After 1962, he actually sharpened the antagonistic cleavage by advocating a stricter class line. Throughout the Cultural Revolution he did not relinquish this view; the term "new bourgeoisie" was not officially used in 1966-1968. The pejorative term, "a handful of power-holders in the Party taking the capitalist road" carried little of the meaning of "New Class," which connotes a sizable privileged group with the power to perpetuate itself in a socialist society. Mao's term, on the other hand, was coined to discredit political opponents who held a different vision of how to steer the country on the road to socialism. "Capitalist roaders" effectively conjured up the image of a retrograde non-socialist enemy group; the carefully contrived idea of "a handful" connoted the isolated, arbitrary, transient,

[23] A translation appears in Klaus Mehnert, *Peking and the New Left: At Home and Abroad* (Berkeley, Calif.: Center of Chinese Studies, China Research Monograph No. 4, 1969).

[24] See, for instance, Richard Kraus, "Class Conflict and the Vocabulary of Social Analysis in China," *China Quarterly*, No. 69 (March 1977), 67. Djilas defines the New Class as "made up of those who have special privileges and economic preference because of the administrative monopoly they hold." Milovan Djilas, *The New Class* (New York: Praeger, 1957), 39.

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and noninstitutionalized nature of these traitors to the revolution. The fact that the "capitalist roaders" were so few in number, and above all, *inside* the Party, ruled out the possibility that they constituted a class or stratum.[25] Indeed, in restricting the number of "capitalist roaders," Mao lent credence to his own widely quoted catchphrase that "most of the cadres are good or relatively good."

Certainly one of Mao's many purposes in launching the Cultural Revolution was to raise people's consciousness against the bureaucratic work-style of authorities at all levels of the bureaucracy. But the Cultural Revolution in this sense was no more than another of those cadre rectification campaigns that have periodically shaken post-Liberation China. The difference was one of magnitude. This time, the whole younger generation became involved in giving the bureaucracy a gigantic shake-up—and in defeating Mao's political opponents. These new "enemy" bureaucrats were those among the Party elite whose policies were less redistributive, more favorable to the former middle classes, and more reliant on material incentives than Mao's policies had been.

With the defeat of such leaders, the Cultural Revolution was ended by the launching, in late summer of 1968, of a fierce campaign: "the Cleansing of the Class Ranks movement." The authorities once again stressed the antagonistic contradiction between the "people" and the bad-class "class enemies." In the schools, the bad-class teachers became targets of "struggle sessions" once again; the Cultural Revolution had come full circle. Many Rebel Red Guard leaders were imprisoned, and the rank and file sent to settle in the countryside. The contradictions among the different social groups of young people were thus forcibly submerged.

Victory of an Estate Social System

With the defeat of the Rebel Red Guards and the Party modernizers, Mao and his followers implemented radical changes to transform Chinese social values and China's social structure. To cite just one example, academic qualifications no longer counted in university recruitments. Whatever the intent, the result of the Maoists' new endeavors was an estate-like system. In practice, good-class status heavily out-

[25] In a discussion with top Party leaders in 1964 on how to rectify the widespread corruption of cadres in the rural Party, Mao had declared: "The Communist Party is a prestigious one. Don't bring up any idea of a stratum. . . . This will frighten and offend too many people. . . . It's enough just to call them [isolated] elements or cliques." *Mao Zedong Sixiang Wansui* (fn. 22), 582-83.

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weighed political performance once upward mobility became officially restricted to the criterion of "redness." Hierarchic differentiation by class label became more distinct than in the mid-sixties; the social system became more closed than ever before.

But the workers' and peasants' children were not necessarily the beneficiaries of these new policies. In the sixties, the class line had given only the brighter of the cadres' children easier access to the universities; in the seventies, with the elimination of entrance examinations, it became an open secret that, "through the back door," cadres at all levels were using their political influence and social contacts to get their children out of the countryside and into the universities under the euphemistic title of "worker-peasant-soldier students."[26] Ironically, the cadres' children were now literally being favored in the name of the workers and peasants.

During these same years, the middle-class youths were perturbed because the intelligentsia (including some of their parents) were officially disparaged and their status and security jeopardized. In the sixties, the "red" *apparatchiki* had already been gaining the upper hand over the "experts"; by the seventies, they were exercising an "all-round dictatorship over the bourgeoisie." The middle-class youths believed that a return to an emphasis on expertise and an end to the disdain of intellectuals were essential to solving the country's mounting economic difficulties. More than ever, the problems seemed to lie with the "red" political elite.

At the same time, the dichotomic image of "class enemies" no longer seemed axiomatic to the middle-class students. They had never accepted the inheritability of class attitudes when applied to themselves; but throughout the Cultural Revolution most of them had been perfectly willing to harbor suspicions regarding people of bad-class status. However, now that most of the Rebel Red Guards had been shipped out to the countryside, many of them realized that the rural "four-category elements"[27] had been so "tamed" in the past two decades that there was no possibility of their participating in counterrevolution. Some of the young people began to argue that the ruling elite was using the concept of "class" to divert attention from its own privileged position. As one interviewee said, "By the very end we jumped out of the frame

[26] The most famous published exposé of this situation was the extraordinary confession of a high-level cadre's son, Zhong Zhimin, published in *People's Daily*, January 29, 1974, p. 1.

[27] In the countryside, because there are no "rightist" intellectuals, there are only four-category elements, not five.

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of mind as to whether there should be a class line or not. We questioned the whole system."

Increasing numbers of these former Rebel Red Guards perceived China broadly in the terms laid out by the "Whither China?" manifesto of the Cultural Revolution—as a predominantly dichotomic schema in which the cleavage between the "masses" and the "new aristocracy" was a power relationship: those without power as opposed to those with power. They considered the differences among the "masses" to be of secondary importance. The foremost necessity was to check the political elite's abuse of power: a "new privileged stratum" of Party people was translating power into illegitimate perquisites and an unduly prosperous lifestyle and was perpetuating its privileged position by using "back door" influence to advance its children into the next generation of power wielders.

The young people's conception of a "new privileged stratum" superficially resembled that of the "new bourgeois elements"[28] described by Mao's protégés Yao Wenyuan and Zhang Chunqiao (two of the so-called Gang of Four) in two widely circulated essays of 1975.[29] Yao in particular argued that "new bourgeois elements" emerged ultimately from an inegalitarian system of income distribution. If the possibilities for acquiring wealth and special perquisites were not restricted, "a small number of people" inevitably would appropriate increasing amounts of material goods, turning "public property into private property."

> As a result, a small number of new bourgeois elements and upstarts who have totally betrayed the proletariat and the laboring people will emerge from among Party members, workers, well-to-do peasants and personnel in state organs.[30]

In other words, in Yao Wenyuan's conception, these "new bourgeois elements" were not a result of unchecked power, as was asserted by the former Rebel Red Guards. Yao Wenyuan and Zhang Chunqiao did *not* argue, moreover, that a "new privileged stratum" had arisen. In a way similar to Mao's deliberate rhetorical limit to the number of

[28] Mao had referred to the term in an offhand manner in 1963. The term resurfaced in Lin Biao's report to the Party's Ninth National Congress in 1969. (*Peking Review*, No. 1 [April 30, 1969], 17). Again it was only mentioned in passing, contained in a quote from Lenin: "The new bourgeoisie [is] arising from among our Soviet government employees." It next reappeared in an editorial in *People's Daily* on February 9, 1975, and again on February 21, 1975.

[29] Yao Wenyuan, "On the Social Basis of the Lin Biao Anti-Party Clique," *Peking Review*, No. 10 (March 7, 1975), 5-10; and Zhang Chunqiao, "On Exercising All-round Dictatorship over the Bourgeoisie," *Peking Review*, No. 14 (April 4, 1975), 5-11.

[30] Yao Wenyuan (fn. 29), 6.

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"capitalist roaders," Yao and Zhang carefully and frequently tacked the qualifiers "elements" and "a small number" onto the phrase "new bourgeois," in order to ensure that the image did not have the connotation of a self-perpetuating class or stratum. Their list of "new bourgeois elements" included all those workers, peasants, and white-collar staff whose take-home pay or private rural incomes were comfortably above average. By Yao and Zhang's standards, if any single group was to blame for too wide a spread in incomes, it was their political opponents who advocated policies of economic liberalization.

The former Rebels, on the other hand, were less concerned with existing wage differences than with the unequal distribution of power and privilege. They felt that the worst abusers of power were those leaders who pushed political controls and political "struggle" campaigns the hardest—in short, precisely the faction now known pejoratively as the Gang of Four. In discussions among themselves, these young people argued that such arbitrary political abuses needed to be curbed by institutionalizing the rule of law.[31]

They also maintained that under Mao and the Gang, the country's school system had been reduced to a shambles; educational standards, they felt, desperately needed to be restored. The economy was flagging, and they argued that the Gang's egalitarian income policies, imposed through political dogmatism, were draining workers and peasants of all initiative. By the mid-seventies, a great many of the middle-class former Rebel Red Guards had turned against the Party "Maoists" and were leaning toward the alternative leadership faction, the Party's modernizing elite headed by Zhou Enlai and Deng Xiaoping. This faction could be expected to overturn at least those policies that were most blatantly offensive to the young people.

Domination of the Functional Schema in the Post-Mao Era

When the modernizers won out over the Gang of Four after Mao's death, they implemented a series of policies designed to ameliorate the feeling that there was a cleavage between ruler and ruled. A renaissance of "socialist democracy and the legal system" was promised with much fanfare. There was an outpouring of articles in the official press lamenting that cadres had alienated themselves from the masses, and that some of them were "riding on the heads of the masses." Editorials incessantly urged that better cadre work-styles be restored and en-

[31] *These latter points were also the theme of the well-known Li Yizhe wallposter of 1974. See Chinese Law and Government*, X, No. 3 (Fall 1977).

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forced.[32] To a limited extent, "experts" were once more allowed to share power with "reds." Cultural, intellectual, and economic policies were liberalized and material incentives were re-introduced. Middle-class support was re-won by re-adopting the meritocratic principle.

Such policy changes inevitably had to be justified through a new conceptual image of China's social structure. It had been many years since the authorities had attempted any sort of re-evaluation of the class situation. They now declared that in the two decades since collectivization, the social structure of China had changed. "The large-scale turbulent class struggles of the masses characteristic of the times of revolution have in the main come to an end."[33] Landlords, rich peasants, counterrevolutionaries, bad elements, and rightists who had labored well and behaved themselves could have their "class enemy" designations removed.

But it was more a numerical reduction than a fundamental change in perception. The dichotomic image, though de-emphasized, remained in place. The 1978 Constitution reiterated that "class enemies" continued to exist; antagonistic class struggle had subsided, but class struggle had not been entirely extinguished. The state would continue to suppress all treasonable and counterrevolutionary activities, and would punish all traitors, counterrevolutionaries, new bourgeois elements, and the like.[34] The major contradiction in society was declared to be between the "socialist laborers" and "remnants of the capitalist class"—that is, between the workers, peasants, and intellectuals on the one side and a motley mixture of old and new "class enemies" on the other.[35]

Because "expertise" is now considered necessary for the Four Modernizations, the new concept of "socialist laborer" was introduced as a means of lifting the intellectuals out of their second-class status in the official gradational order. The vast majority of the Chinese population have been declared "laborers" because they all work, regardless of whether they work with their hands or their minds. The intelligentsia, along with the workers and peasants, belongs to the amorphous "laboring masses." Furthermore, the intellectuals' standing in society is now to be determined not by their origins but their attitudes: whether they

[32] "Combatting Prerogatives," *Beijing Review*, No. 25 (June 22, 1979), 6-8; "Some Questions Concerning Socialist Democracy," *Beijing Review*, No. 24 (June 15, 1979), 9-13.

[33] "Mobilizing All Positive Factors," *Beijing Review*, No. 7 (February 16, 1979), 5. See also "On Policy Towards the National Bourgeoisie," *ibid.*, and "Victory for the Policy of Remolding the Exploiters," *ibid.*, 8-10.

[34] *China Quarterly*, No. 74 (June 1978), 460.

[35] *Guangming Ribao*, November 7, 1979, p. 3.

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pledge their loyalty to the "bourgeoisie" or the "proletariat." In the absence of an economic basis for this bourgeoisie, the decisive question has become whether they are "selfish" or willing to "serve the people." The newspapers have solemnly declared that the intelligentsia as a whole is of the latter persuasion—a progressive force in the "camp of the proletariat."

By 1980, the official news media were thus blurring the distinctions between the various middle and good class categories and were conveying an image of non-hierarchical differences. As a result, China now has an overwhelmingly functional schema of social structure—social groups harmoniously existing side by side, contributing equally valuable services to the common good:

> This sector of the population serves that sector of the people. That sector of the population serves another sector of the population. There is division of labor, but in the whole society everyone serves each other without any distinction between high or menial status.[36]

Though this revived functional schema comes closer to the view of the "masses" held by many of the former Rebel Red Guards, a fundamental distinction remains between this group and the leadership's perception of the negative pole of the dichotomic image. The dissidents of the "democracy movement" have been arguing in wallposters and in the mushrooming "people-run publications" that the major "contradiction" still lies between the "masses" and the "new privileged elite"—between those with power and those without.

The Party authorities, including Deng Xiaoping, have not been willing to tolerate the propagation of such views.[37] In early 1979 and again in the spring of 1981, the government launched repressive measures. "Democracy movement" organizations and publications were suppressed, and their leaders and editors were arrested.[38] But the dissident perspective has not been silenced. Wallposters and underground mag-

[36] *Guangming Ribao*, January 7, 1980, p. 2.

[37] See Deng Xiaoping's speech of December 25, 1980, "Carrying Through the Principles of Adjustment, Improving the Working of the Party, and Guaranteeing Stability and Solidarity," translated in *Inside China Mainland* (July 1981), 7.

[38] During the crackdown of May 1981, the journal of the Party Central Committee, *Red Flag*, took cognizance of the dissidents' dichotomic schema and denounced it as politically subversive:

> They even say that . . . the emergence of a so-called "bureaucratic class" within the Chinese Communist Party . . . is a necessary product of the socialist economic and political system; that the contradiction between it and the broad masses of the people has formed the major contradiction in present-day Chinese society; and that only by toppling this "bureaucratic class" could China's problems be solved. This is an anti-Party and anti-socialist political program, whose purpose is to struggle with our Party for the power of leadership, in order to replace it.

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azines propounding such views have re-emerged each time like "bamboo shoots after a spring rain."

Conclusion

The past three decades of Chinese history illustrate Ossowski's proposition that different social groups adopt varying schemata of the social structure to further their own group interests and to attain specific goals. In the fifties, when the Chinese elite was intent on modernizing the country, the functional image of social structure fitted the government's desire to tap the greatly needed skills of the intellectuals and the "national bourgeoisie." Concurrently, a dichotomic schema was used to generate a feeling of solidarity among the ordinary people. In the sixties and the early seventies, under the domination of Mao's egalitarian vision, a gradational schema was utilized in order to redistribute opportunities to the "proletariat." Simultaneously, the dichotomic schema was intensified as a means of reviving support for the ruling authorities. In the post-Mao era, the modernizing Party elite has reverted to the use of the functional schema. It has done so in a bid to involve the intelligentsia once again in helping to pull the sagging economy back into shape.

Different sectors of the populace, however, have not necessarily held the images that were advocated by the authorities. The political engineers could not always successfully direct social development. Intensive political socialization programs had only limited and temporary effects. Among the different social groups, different images of the social structure evolved as responses to their own social conditions and in accordance with their own group interests.

This was evident in the social developments inside Chinese classrooms in the pre-Cultural Revolution sixties. The students of bad-class status privately persisted in believing only in a functional schema. In this framework, they were equal to everyone else, and their skills were as useful to society as those of any other social group. But their political position was too weak to allow them to air their views even mildly.

The cadres' children held to the dichotomic schema and emphasized "class struggle." But they adhered also, and most vigorously, to the government's gradational schema, which was already in their favor; they exaggerated it in order to promote their claims to privileges. Since their elitist pretensions were threatened by any other criteria that might be used, they attempted to erect a caste sysem in the Cultural Revolution, in which they claimed Brahmanic superiority.

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The middle-class students had been untroubled by the use of the official gradational and dichotomic schemas in the fifties. They accepted what they were taught because they were not directly threatened by it. But the increasing weight given to the gradational schema by the government, and the growing numerical pressures and competitiveness in the school system during the early half of the sixties, jeopardized their positions and prospects. They therefore supported both the functional and the dichotomic schemata: both placed them squarely among the "masses."

But during the Cultural Revolution, they began to shift their views. Boxed into a corner and threatened in the early months, and then as suddenly "liberated" to form autonomous Red Guard groups, some of them eventually stepped entirely outside the government's three ways of perceiving the sociopolitical structure. They adopted a new perspective that was inimical to the interests of the ruling elite. This new dichotomic view of Chinese society depicted a marked polarization between the "masses" on one side and a politically "privileged stratum" on the other. As the "red" elite expanded its authority and succumbed to abuses of power in the seventies, this new countervision of China's social structure gained adherents. If the continued intermittent outpourings of wallposters provide any sound indicators, the new vision has withstood the efforts of the post-Mao leadership to recapture credibility through official images of a functionalist social structure. The officialdom has returned to the premises of the 1950s, but society has changed; the eighties are not the fifties.

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POLITICAL USE OF RECOGNITION: The Influence of the International System

By M. J. PETERSON*

I. Introduction

RECOGNITION of governments interests both lawyers and statesmen: lawyers, because recognition is a long-standing legal institution that has the important function of identifying major actors in the international system; and statesmen, because looseness in the rules allows them to use recognition not only to identify actors, but also to express opinions about them or to secure concessions from them. Political scientists have been interested in the causes and effects of particular decisions, but have not often discussed general factors that might influence such decisions generally. Thus, attention has focused on the rules, the determinants of specific recognition decisions, or the policies of individual governments.

It is possible to find influences on recognition decisions at four levels: (a) the domestic political system or the personal preferences of leaders in the deciding state; (b) the relations between the deciding state and the state in which the government has changed; (c) the nature of the regional subsystem (if both states belong to the same one); and (d) the nature of the international system. In discussions of individual cases, the first and second levels have been analyzed fairly thoroughly, and aspects of the third have been touched. However, few attempts have been made to assess the influence of the fourth, which will be the center of inquiry here. These attempts consist mainly of speculations about the impact of the distribution of power[1] or the level of ideological conflict between states.[2]

After a brief discussion for readers unfamiliar with the concept of recognition, the study will proceed with a presentation of possible influences of the international system in Section II, a description of political uses in Section III, and finally an assessment of the impact of the

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[1] Morton Kaplan and Nicholas Katzenbach, *The Political Foundations of International Law* (New York: Wiley, 1961).

[2] Stanley Hoffmann, "International Systems and International Law," in Karl Deutsch and Stanley Hoffmann, eds., *The Relevance of International Law* (Cambridge, Mass.: Schenkman, 1968).

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system influences in Section IV. The conclusion will attempt to assess the relative weight of all four levels of influence.

In international law, the term "recognition" means formal acknowledgment that some entity or situation exists, coupled with an assurance that the legal consequences of such existence will be respected. In international politics, recognition of governments is one of the most significant forms of recognition. It is the way in which the major actors in the system identify each other, since there is no central agency to pass on a new regime's qualifications and to certify that it deserves the name and status of "government." A state is an abstract entity, a human collectivity. Domestically, it needs a central mechanism for making and enforcing rules and policies. Internationally, it needs a human agent able to act in its name vis-à-vis other states. It might be possible to fulfill each need separately, but historically one agency has come to fill both. International law accepts and builds on the assumption that the two will continue to be fulfilled by the same agency.

Changes of government occur in one of two basic ways: by means prescribed in the state's constitution, fundamental law, or basic political customs, or by means not so prescribed. International law provides that each state can change its government in any way it wishes, but does not impose on other states any obligation to accept a new government as the international agent of its state. Although this doctrine could be interpreted to mean that all new governments must secure recognition, it never has been. When a change of government is constitutional, domestic authority passes directly from one government to its successor. This legally unassailable claim to domestic rule is then treated as sufficient for asserting international agentship, and the issue of recognition does not arise. When, however, a change of government is accomplished by nonconstitutional means, the new government must show that it exercises, and can maintain against all challengers, effective rule over the state. Other governments can (and usually do) wait to see if the new government can make good its claim to domestic rule before they accept it as the international agent of its state.

However, international law also permits governments to do more. There is no obligation to recognize a new government once it effectively rules the state, so recognition may be withheld for reasons other than lack of effective rule. Further, though there is consensus that it is illegal to recognize a new government before it controls the state, some governments have on occasion done so because the penalties for violation are weak, if not nonexistent. Thus, recognition can be used for

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the individual purposes of states as well as for identifying those entities belonging to a certain class of actors in the international system. It is these other uses that are here termed "political uses of recognition."

Relying on official publications whenever possible, and supplementing them with collections of materials assembled or examples given by legal scholars, the recognition policies of 19 states have been studied systematically for all years since 1815, all years of their independence, or all years for which material is available (whichever is latest). These states, and the first year of inclusion, are: Argentina (1830), Australia (1954), Brazil (1850), Canada (1920), Chile (1850), China (1919), France (1815), Prussia/Germany (1815), Guinea (1963), India (1947), Japan (1919), Mexico (1830), the Netherlands (1815), Russia/Soviet Union (1815), Switzerland (1848), Tanzania (1965), United Kingdom (1815), United States (1815), and Venezuela (1900). Occasional information on the practice of other states has been used to supplement the survey.

II. System Characteristics

A number of characteristics of the international system can affect a state's recognition decisions. Two of these can be assessed in some depth because they change over time; they are the distribution of power and the level of ideological conflict between states. Others likely to have some effect are the norms that govern the interactions of governments and the degree of interdependence among states.

Three elements are crucial to describing the distribution of power: (a) the number of strong units—whether single great powers, alliances of great powers, or blocs consisting of a great power and its weaker associates—in the system; (b) the disparity of material capacity between strong and weak units; and (c) the fluidity of alignment—that is, the ease with which strong powers can change alliances and/or weak ones can maneuver among strong ones.

Considering change in two of the three elements, or change in the identity of the strongest powers, as marking shifts from one distribution to another, the years 1815 to 1980 can be divided into seven periods:

1. 1815-1830: two strong powers (Quadruple Alliance and Great Britain), great disparity of capacity, and some flexibility of alignment;
2. 1830-1905: five, later six, strong powers (Austria, Britain, France, Prussia/Germany, Russia, and Italy), great disparity of capacity, and great flexibility of alignment;

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3. 1905-1914: two rival alliances (Triple Alliance of Austria, Germany, and Italy; Triple Entente of Britain, France, and Russia), great disparity of capacity, and great fluidity of alignment;

4. 1919-1930: seven great powers (Britain, France, Germany, Italy, Japan, U.S.S.R., U.S.A.) forming three loose groupings (supporters of the Versailles settlement, revisionist powers, uninvolved powers), great disparity of capacity and fluidity of alignment;

5. 1939-1945: division into two rival alliances (Axis of Germany, Italy, and Japan; and Allies: Britain, France, U.S.S.R., and U.S.A.), great disparity of capacity, and very little fluidity of alignment;

6. 1947-1960: two blocs (U.S.A.-led NATO, U.S.S.R.-led Warsaw Pact), great disparity of capability, and little fluidity except for a few "nonaligned nations"; and

7. 1960-1880: two strong powers for strategic military conflict (the blocs) and three or more strong units for other sorts of relations, less disparity of capacity except in armaments, and great flexibility of alignment except in Europe.

Defined in general terms, ideology is a more or less logically coherent set of beliefs about the proper goals, values, norms, organizations, and operation of society, and about how to attain or preserve the desired society. Though the specificity of an ideology ranges from the vague belief that the status quo is best and should be preserved to the elaborate propositions and logic of Marxism-Leninism, all ideologies are similar in that their adherents view them as the single best guide for human society. Differences of ideology have been important causes of domestic conflict continuously since 1789, but they cause international conflict only when adherents believe their views deserve universal adoption and work to bring this about. If adherents either concede to foreigners the right to organize their state in their own way, or do not supplement belief in their ideology's universal relevance with a belief that it is necessary to win new adherents by material means, ideology will not cause international conflicts.

The years 1815 to 1980 can be divided into three periods according to the presence or absence of ideology as a cause of international conflict:

1. 1815-1830: a mild (by 20th-century standards) competition between constitutionalism (limited monarchy or republicanism) and absolutism, in which both sides, but especially the absolutists, used force to bring other states into line with their views;

2. 1830-1914: existing ideological differences are generally not allowed to affect foreign policy;

3. 1917-1980: ideological struggle is very important to international conflict, though it takes different forms at different times: a two-sided com-

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petition between liberalism and Marxism-Leninism in 1917-1922; a three-sided struggle among liberalism, fascism, and Marxism-Leninism in 1922-1945; and again a two-sided competition between liberalism and various forms of Marxism-Leninism in 1947-1980.

The distribution of power does not determine the presence or absence of ideological struggle between states, but it does affect how that struggle is pursued because it can reinforce or cut across ideological divisions. At times, as in 1815-1830 or 1945-1960, the prevailing ideological differences are mirrored in alignments among the strong units. Such a distribution encourages sharp ideological conflict by reinforcing it with conflicts of power and material interests. At other times, the distribution of power does not closely parallel the ideological cleavages. The interwar fascist-liberal-communist struggle did not always follow the division among states satisfied with, unsatisfied with, and indifferent to the Versailles settlement. It required states to choose material interest or ideology in making alignments, and led to some uncomfortable ones, such as the German-Soviet agreement of 1939-1941 or the American-British-Soviet alliance of 1941-1945.

III. Political Uses of Recognition

The information in this section can be grouped into three periods: the 19th century (1815-1914), the era of the World Wars (1914-1945), and the postwar period (1945 to the present). These divisions have the double advantage of separating different eras in the development of international law and of corresponding to some of the dates that mark changes in distribution of power and level of ideological conflict.

Political uses of recognition may be classed into two main categories: expression of friendship or hostility toward a new government (expressing opinions), and exchange of recognition for a particular act or promise regarding future policy (influencing a new government's conduct). Expression of opinion may end with a passive indication of sympathy or hostility, or it may be supplemented by acts—such as providing material assistance, cutting off pre-existing aid, or intervening militarily—that are meant to affect the new government's prospects for existence. However, acts may also start, or be continued, without any expectation that they will affect the new government's existence. At times, it may be hard to tell whether actions are intended to bring down a government or to express a strong aversion to relations without any hope or expectation of bringing it down. Since the focus here is on recognition decisions, these complications will be ignored.

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EXPRESSING OPINIONS

Governments can affect a new regime's chances for survival with their recognition policy only in the early days of its existence. If the goal is support of the new government, very quick recognition, with as wide publicity as possible, is the appropriate policy. Sometimes this will mean hasty recognition—that is, recognition given as soon as the new government appears to have control, no matter how precarious. A number of hasty recognitions—such as Soviet recognition of the PRC in 1949 or American recognition of Lon Nol's government in Cambodia in 1970—were clearly motivated by a desire to assist the new governments. However, the boundary between hasty recognition and recognition based simply on the fact of control is sometimes hard to determine; in such cases it is difficult to distinguish political uses from simple certification of existence.

The pattern of political use is more easily determined from cases of premature recognition—that is, recognition given before the new government does effectively rule the state. Since effective control is generally accepted as the necessary condition for recognition, premature recognition is clearly illegal. A government using it must have compelling political motives for doing so. Even though the penalties for violation may be light or nonexistent, the practice strikes at the security of tenure of all governments. It is not something governments would like to see done for challengers to their own position.

In the 19th century, governments generally avoided premature recognition. In view of Doña Maria's eventual triumph in Portugal, Russia and the United States might be deemed guilty of premature recognition in recognizing Dom Miguel's government in 1828; but when the recognitions occurred, Doña Maria's control was restricted to one offshore island and seemed unlikely to expand. There was no rush to recognize the many liberal governments established in 1848, though Britain, France, and the United States clearly sympathized with them. The disorders in Spain during the late 1860s and early 1870s inspired no premature recognitions; the governments of the various powers decided to act together and to follow the results of the three-cornered struggle among republicans, absolute monarchists, and constitutional monarchists as they developed. Caution was the order of the day, but a few decisions were made to intervene in favor of one side or the other—for instance, under the Quadruple Alliance's auspices in central Europe in the 1820s, and by Britain and France in Portugal and Spain in the early 1830s. Intervention was avoided, however, if the prospect of counterintervention was too great.

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During the interwar period, there was much premature recognition, even allowing for a relatively loose definition of the necessary control. The Russian civil war and related conflicts inspired the first group of premature recognitions. Out of hate for the Bolsheviks, the French government recognized both Kolchak's and Wrangel's organizations as governments of Russia despite their very limited areas of control. The Soviet Union itself recognized the Finnish "Red Guards" as the government of Finland at the very start of their unsuccessful rebellion.[3] It also recognized a Polish government in exile formed on Soviet-controlled territory under Julian Marchlewski until a military stalemate made negotiations with the Polish Republic necessary.[4]

The most famous instances of premature recognition occurred during the Spanish Civil War. On November 17, 1936, the German and Italian governments recognized Franco's nationalist regime as the government of Spain even though the established republican government still controlled much of the country and continued to offer stiff resistance until March 1939. This was not, however, the only or the earliest premature recognition of the Franco government. Guatemala and El Salvador had recognized it on November 10th, 1936. Albania—virtually an Italian protectorate at the time—recognized on the 26th.[5] Nicaragua followed suit the next day, citing "solidarity with Guatemala and El Salvador against communism" as the reason.[6]

World War II occasioned more uses of the technique. Germany recognized the Japanese-sponsored Wang regime as China's government in 1940, and set up or recognized friendly regimes in Norway and France. Until the Soviet government began peace negotiations with Finland in March 1940, it recognized a "People's Government of Finland" that had been formed in a Soviet-occupied area just after the start of the Winter War.[7]

In the postwar period, opportunities for premature recognition were more abundant than were actual instances, but enough of the latter occured to make premature recognition a significant phenomenon. Recognition of any government in Zaire after the Kasavubu-Lumumba

[3] L. Puntila, *The Political History of Finland, 1809-1966* (Helsinki: Otaea, 1968), 102-9. This case was brought to the author's attention by Arto Mansala.

[4] J. Azvedo, *Aspects generaux de la reconnaissance des gouvernements* [*General View of Recognition of Governments*] (Paris: Pedone, 1953), 39.

[5] Norman Padelford, *International Law and Diplomacy in the Spanish Civil Strife* (New York: Macmillan, 1939), 17.

[6] U.S. Department of State, *Foreign Relations of the United States* (Washington, D.C.: 1936), 36.

[7] Jane Degras, ed., *Soviet Documents on Foreign Policy, 1917–1941*, III (London: Oxford University Press, 1941), 405-7.

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split would probably have been premature, but the U.N. General Assembly's decision to back the claims of the Kasavubu (Leopoldville) faction put the governments recognizing the rival Lumumba-Gizenga (Stanleyville) faction—including those of the Soviet Union, China, Czechoslovakia, Hungary, Poland, North Vietnam, North Korea, Egypt, Mali, Guinea, Indonesia, Cuba, East Germany, and Yugoslavia[8] —at a disadvantage in justifying their recognitions. A similar split, which did not involve the U.N., occurred after the Viet Cong formed a "Provisional Revolutionary Government of South Vietnam" in 1969. It was quickly recognized as the government of South Vietnam by Hungary, Czechoslovakia, Mongolia, China, and Egypt,[9] despite the resistance still being offered by the Saigon government. (This assumes that there were two Vietnamese states; equally cogent arguments could be made that there was only one.) The 1970 proclamation of the Khmer Republic and subsequent formation in China of a Cambodian Royal Government of National Unity (GRUNK) headed by the ousted head of state, Prince Sihanouk, produced hasty and premature recognitions of both. Most Western governments deemed proclamation of the Khmer Republic to be legal because the National Assembly had been persuaded to accept the change under procedures outlined in the constitution then in force. They thus argued that the question of recognition did not arise.[10] When a government-in-exile was proclaimed from Peking the following May, China immediately recognized it; sixteen other states soon did the same.[11] These recognitions were clearly premature because GRUNK's Khmer Rouge allies did not begin guerrilla operations on Cambodian territory for some months, and the government itself did not settle on Cambodian territory until April 1975, after the Khmer Rouge had taken the capital.

Events moved so quickly in Cambodia and Vietnam during the spring of 1975 that some of the premature recognitions were not premature long enough to be significant. The guerrilla campaigns against the pro-Western Lon Nol government in Cambodia gained irresistible momentum in March. The Soviet Union, which had been avoiding relations with Prince Sihanouk and the Khmer Rouge as much as possible, decided that it was time to join the winning side and recognized the GRUNK on March 28th.[12] Lon Nol's resignation a few days

[8] Kashi Misra, *India's Policy of Recognition of States and Governments* (Bombay: Allied Publishers, 1966), 107-8.
[9] *Annuaire française de droit international*, 1969, pp. 947-51.
[10] *Revue general de droit international public*, Vol. 75 (No. 1, 1971), 158-59.
[11] *Keesing's Contemporary Archives*, 1970, p. 24127.
[12] *Washington Post*, March 28, 1975, p. A10.

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before the communists took Phnom Penh inspired the Indian, Liberian, and Sri Lankan recognitions of April 1st. French, Turkish, Australian, Iranian, and Portuguese recognition occurred during the confused interval before the GRUNK established itself in Phnom Penh. Other states, whose caution outweighed their emotions, waited until after the new government was formally proclaimed before recognizing.[13] There was less confusion during the Vietcong's drive on Saigon: the Thieu government had not resigned, and those states that were highly sympathetic to the Vietnamese communists had already recognized the Provisional Revolutionary Government as a way of expressing disapproval of United States involvement. Other governments decided that a few days would not make much difference in relations with the new regime. They thus waited at least until the Vietcong had taken Saigon, and some waited a bit longer.

African regional quarrels provide a few additional examples. In June 1965, the Sudanese government proclaimed its intention to recognize the government-in-exile of Chad formed on its territory by Chad refugees. Discussions encouraged by the OAU led to a settlement of Sudan's differences with Chad, and a Sudanese promise to expel the refugees and stop aiding their organizations.[14] In September 1971, renewed Chad-Sudan disputes prompted Libya to recognize the Chad National Liberation Front until the conflict was patched over by the OAU.[15]

When governments wish to help a deposed regime, withholding recognition from the new while continuing assistance to the old is the appropriate policy. Sometimes nonrecognition of the new government is combined with prolonged recognition of the old—that is, of treating its members or diplomatic representatives as if they were still ruling the state even though their government has lost effective control. Such prolonged recognition constitutes a more intense political use of recognition; it is clearly illegal because it willfully ignores the absence of effective control.

In the 19th century, there were no cases of prolonged recognition. The phenomenon first became important during the interwar period when new governments that considered themselves fundamentally different from their predecessors appeared in several countries. While deferring recognition of the Soviet government, a number of states—including China (motivated in part by the need to have Russian officials

[13] *Revue general de droit international public*, Vol. 79 (No. 4, 1975), 1106-7. *Washington Post*, April 18, 1975, p. A15; April 19, 1975, p. A15; and May 2, 1975, p. A13.
[14] *Annuaire française de droit international*, 1965, pp. 1084-85.
[15] *Annuaire française de droit international*, 1971, p. 1124.

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implement parts of the extraterritoriality treaties), Italy, France, and the United States—continued to treat diplomats or consuls sent by the tsarist or provisional governments of Russia as representing the Russian state.[16]

After World War II, there were a number of prolonged recognitions. The Mexican government continued to recognize the Republican government of Spain until 1977.[17] A large number of states—among them Australia, Canada, France, Nigeria, Senegal, the United States, and West Germany—continued to recognize the Republican (Chiang) government as ruling China for at least 10 and in some cases even 30 years after the communists took over in 1949.

Most of the time, however, governments confined themselves to the clearly legal step of withholding recognition. In Europe, the desire to defend monarchical absolutism, plus the inability to intervene, led to Russia's nonrecognition of the July monarchy in France from 1830 to 1832, and to Austria's, Prussia's, and Russia's refusal to recognize the Spanish constitutional monarchy of Isabella II later in that decade.[18] Because the 1903 coup that brought the Karageorgevich dynasty to power in Serbia was accomplished by an amount of violence deemed unnecessarily barbaric in a European country, Britain withheld recognition for three years; the United States, the Netherlands, France, Germany, and Italy did so for shorter periods.[19]

Most 19th-century cases of withholding recognition in the Western Hemisphere occurred as a part of efforts to bolster republicanism. When the French helped Maximilian to become Emperor of Mexico in 1864, the Chilean Congress voted to deny him recognition on the grounds that monarchy was contrary to "the regional law of the Americas."[20] Nonrecognition by the United States began as disapproval, but was supplemented by threats to help the still-active republicans under Juarez regain control once the American Civil War had ended.

[16] *China Yearbook* (1921), 623-26; comment in Nonis v. Federation of Seamen, Court of Appeals of Genoa, 1930, in *Annual Digest and Reports of International Law Cases* (1929-30), 45-46; Charles Kiss, ed., *Repertoire de la pratique française en matiere de droit international public* [Digest of French Practice of International Law], III (Paris: Centre national de la recherche scientifique, 1965), 85; Nealie Houghton, "Policy of the United States and other Nations with Respect to the Recognition of the Russian Soviet Government," *International Conciliation*, No. 247 (1929), 96.

[17] *New York Times*, March 29, 1977, p. 10.

[18] Scipione Gemma, "Les gouvernements de fait" *Hague Academy Recueil des cours*, No. 4 (1929), 341; Lassa Oppenheim, *International Law*, I, 2d ed. (London: Longman's, 1912), 426.

[19] Herbert A. Smith, ed., *Great Britain and the Law of Nations*, II (London: King, 1932), 231-33.

[20] Boris Mirkine-Guetzevich, "Droit international et droit constitutionnel" *Hague Academy Recueil des cours*, No. 38 (1931), 338.

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In the second half of the century, a number of states in the Western Hemisphere used nonrecognition to express active or passive disapproval of regimes that came to power by military coups. The United States used such policies most frequently, even though it was not consistent about them. After Napoleon III had himself proclaimed emperor, the United States awaited the results of the plebiscite before recognizing the French monarchy in 1851. It took a similar attitude toward the Portuguese Republic in 1910 (to the great disappointment of the Portuguese), but it did not wait for popular confirmation before recognizing a new king of Spain or the Third French Republic in 1870. In Latin America, the United States awaited popular or legislative confirmation before recognizing most governments born of coups between 1865 and 1885; Woodrow Wilson re-adopted this policy in 1913.[21]

In 1907, five Central American governments agreed in an "Additional Protocol" to their Treaty of Peace and Friendship to use selective nonrecognition for the purpose of discouraging military coups. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua agreed not to

> recognize any other Government which may come to power in any of the five Republics as a consequence of a *coup d'état* or of a revolution against the recognized Government so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country.[22]

This provision did not ban recognition of coup-born regimes, but it did require that they gain popular or legislative confirmation of their position. Thus, particularly as applied by the parties, it had little effect on politics. The treaty became more significant and controversial when the United States began citing it to justify nonrecognitions that were actually based on its own program to protect American interests and to promote its own ideas of good government in the area. In 1909, the United States aided Nicaraguan rebels by landing marines and announcing, after the President had resigned, that no member of his government would be recognized as President of Nicaragua.[23] United States marines returned to help the new government against rebels in 1912. In 1911, the United States had mediated between rebels and the

[21] John B. Moore, ed., *Digest of International Law*, I (Washington: Government Printing Office, 1906), 137-64; William Neumann, *Recognition of Governments in the Americas* (Washington, D.C.: Foundation for Foreign Affairs, 1947).

[22] Text in *American Journal of International Law*, II (1908), Supplement, p. 229.

[23] Roland H. Sharp, *Nonrecognition as a Legal Obligation* (Liège: Imprimerie Georges Thone, 1934), 43-45.

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government of Honduras, encouraging them to form a coalition government.[24]

Interwar European politics began with a large number of active or passive policies of nonrecognition, based on intense dislike of the Bolshevik government in Russia. Originally these policies were intended to complement interventions against the Bolsheviks, but they continued for some years after the interventions ended in 1920. Many of these nonrecognitions persisted for at least another decade, but by 1925 all the major European states had recognized the Soviet government.[25]

As in the 19th century, the states of the Western Hemisphere withheld recognition more often than those of Europe. The Wilson administration maintained its emphasis on constitutional propriety; the succeeding Harding and Coolidge administrations combined constitutionalism with protection of American material interests (with the latter predominating).[26] Nonrecognition became but one of many policy tools. Meanwhile, the five Central American states concluded another Treaty of Peace and Friendship in 1923 with a more ambitious attempt to discourage military coups by nonrecognition.[27] Again, the United States government declared itself ready to apply the treaty; again, it did so more enthusiastically than the parties themselves. Coups continued nevertheless, causing disputes over the application of the treaty, which came to an end in 1931 when Nicaragua and El Salvador denounced it and the other parties largely gave up trying to apply it. The United States government was shifting away from constitutionalist ideas by then, and the Roosevelt administration publicly forswore them in 1933 as part of the Good Neighbor Policy.

Withholding of recognition to express hostility continued in the postwar period. A number of states that had no relations with the Republic of China after 1949 also withheld recognition from the People's Republic for a year or more.[28] The Soviet Union and Yugoslavia refused to recognize the Franco government of Spain throughout its existence.[29] In Africa, only the Togo, Ghana, and Uganda coups (1963, 1966, and 1971 respectively) inspired long delays of recognition. The Togo coup inspired a few proposals for regional consultation or collec-

[24] *Ibid.*, 45-46.

[25] Houghton (fn. 16), 90-94 and 105, n. 99.

[26] Green Hackworth, ed., *Digest of International Law*, I (Washington: Government Printing Office, 1940), 182-44 and 222-81; for discussion, see Neumann (fn. 21).

[27] Text in *American Journal of International Law*, XVII (1923), Supplement, 118.

[28] James C. Hsiung, "China's Recognition Practice and its Implications in International Law," in J. Cohen, ed., *China's Practice of International Law* (Cambridge: Harvard University Press, 1972), 54-55.

[29] *New York Times*, April 15, 1974, p. 13.

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tive decision mechanisms in the Organization of African Unity, but they were rejected then and have not been revived.[30]

In the early postwar period, the American republics appeared to have discarded the use of nonrecognition to discourage military coups.[31] However, the idea was soon revived. By the early 1960s, several states had policies of not recognizing new governments in the hemisphere which had been brought to power by coups, and applied them to Brazil in 1964. In 1965, the Second Emergency Inter-American Conference, meeting soon after the U.S. intervention in the Dominican Republic, created an OAS consultation procedure in which OAS member-governments would ascertain, before extending recognition, whether a new government had been helped to power by foreign agents and whether it was ready to hold elections to regularize its position within a short time after the coup.[32]

Since the procedure was optional, it was seldom used; further, the Latin American states distrusted it because it had been sponsored by the United States. Short delays of recognition after the 1967 Argentinian and 1968 Peruvian coups[33] notwithstanding, the trend was again away from using nonrecognition to discourage coups. Most Western Hemisphere governments, like the military government of Argentina and the Nixon administration in the United States, tacitly dropped the policy; the new Venezuelan president publicly forswore it by disavowing the "Betancourt doctrine" of nonrecognition for governments born of military coups that had guided Venezuelan policy since 1962. In 1973, no government in the Western Hemisphere denied recognition to the Pinochet junta of Chile despite the sharp break with constitutionalism and the junta's disregard for human rights.[34] Yet this and other extra-legal changes of government soon inspired renewed interest in using nonrecognition to discourage military coups.

INFLUENCING A NEW GOVERNMENT'S CONDUCT

Attempts to influence the general policy or specific acts of a new government rest on withholding recognition until that government

[30] See discussion of these events in James Mittelman, "The Uganda Coup and the Internationalization of Political Violence," *Munger Africana Library Notes*, No. 14 (September 1972).

[31] See the OAS resolution stressing the desirability of continuous diplomatic relations (and hence not withholding recognition) among American governments in *OAS Annals*, I (1949), 136.

[32] Text in *American Journal of International Law*, Vol. 60 (April 1966), 398.

[33] L. Thomas Galloway, *Recognizing Foreign Governments* (Washington: American Enterprise Institute, 1978), 79-83.

[34] However, the *Mexican Newsletter*, No. 46 (December 31, 1974), 31, noted a later severing of diplomatic relations by Mexico.

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adopts or promises the desired policy or acts. This course is here called "imposing stipulations."

In the 19th century, it was quite common to impose stipulations. Usually, it was done to assure the continued safety or treaty privileges of the recognizing government's nationals, but occasionally new governments were offered recognition on condition that they treat their own nationals in certain ways. For example, in 1828 the British government offered recognition to Dom Miguel of Portugal if he would grant amnesty to supporters of his constitutionalist rival Doña Maria (who had enjoyed British support).[35] The British also withheld recognition of the Karageorgevich dynasty in Serbia until the new king agreed to dismiss the officers responsible for the killings in the coup that had brought him to power.[36] Similar interests led Britain, France, and Spain to coordinate their policy toward Mexican governments from 1857 until 1863, when French intervention took matters further than the British cared to go. This split, as well as later protection from the United States, and the counterclaims arising from the intervention, allowed the Juarez government to reject some of the stipulations.[37] In 1908, all the parties to the 1906 Act of Algeciras—Britain, France, Germany, Italy, Spain, and the United States—acted together to secure extensive promises from the new Sultan of Morocco.[38]

In 1903, the United States began to impose stipulations as a regular part of its efforts to exert control in the Caribbean. It had earlier insisted on general statements by new governments that they would fulfill their international obligations (a practice then common to a number of governments and not a political use of recognition), but now sought more specific commitments. Particularly striking examples of this new policy followed the 1904 coups in the Dominican Republic and Honduras, the 1912 coups in Paraguay and the Dominican Republic, and the 1913 coup in Haiti.[39]

Immediately after World War I, Britain and France found it useful to impose stipulations in settling the organization of the new European states. In November 1919, the Huszar government of Hungary was required to hold elections without delay, prove its ability to main-

[35] Smith (fn. 19), I, 139. The offer was rejected.

[36] *Ibid.*, I, 232-33.

[37] See U.S. State Department, Foreign Relations of the United States, 1883, p. 664; and Fontes Juris Gentium, B, Sec. 1, Vol. 7, pt. 1, nos. 517-18 (Berlin: Karl Heymanns Verlag, 1933).

[38] U.S. State Department, *Foreign Relations of the United States* (Washington, D.C.: 1908), 648-49.

[39] See Hackworth (fn. 26), I: 182-94; and Taylor Cole, *The Recognition Policy of the United States since 1901* (Baton Rouge: Louisiana State University, 1928), 34-49.

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tain internal order, forswear territorial claims against neighboring states, and guarantee civil liberties before the British and French extended recognition.[40] In 1920, after a plebiscite resulted in the establishment of a monarchy, the further stipulation was added that no Hapsburg be chosen king.[41] Similarly, the French government had made it clear in 1918 that it would not accept a Hohenzollern king in Finland.[42] In 1931, France used threats to withhold recognition in order to secure an extension of the previously denounced commercial treaty between France and El Salvador.[43] During the later stages of World War II, the Allies again found stipulations useful. The Badoglio government of Italy was required to take in all "democratic" (i.e., nonfascist) elements and to cooperate fully with the victors. Britain and the United States used threats of nonrecognition to secure broadened Austrian, Hungarian, and Polish provisional governments. The Yalta Declaration contained a series of stipulations requiring broadly based provisional governments and free elections in all countries formerly occupied by the Axis.

The foregoing were relatively trouble-free impositions of stipulations; other attempts came up against stiff opposition. The Soviet government resisted all stipulations and had a favorable position for doing so, in view of the size, location, and potential of Russia. Anxious to break its diplomatic isolation, the Weimar Republic recognized the Soviet government in 1920 on the basis of a mutual write-off of claims (which were huge on both sides). The British, French, Italian, and Japanese recognitions of the U.S.S.R. in 1924 and 1925 were accompanied by agreements on principles for settling disputes, but by no one-side stipulations.[44] The Litvinov Agreements made concurrently with United States recognition were not taken to be stipulations.[45] After British and French recognition, the Soviet Union was able to express even more clearly its opposition to stipulations. When the Hungarian government attempted to get agreements in exchange for recognition, Rykov told the third Soviet Congress in May 1925:

[40] Great Britain, Foreign Office, *Documents on British Foreign Policy*, 1919-1939, 1st ser., VI, doc. no. 307.

[41] *Ibid.*, XII, docs. no. 75 and 202.

[42] Hersh Lauterpacht, *Recognition in International Law* (Cambridge: Cambridge University Press, 1947), 350, n. 2.

[43] Kiss (fn. 16), III, 57.

[44] *Ibid.*, 59.

[45] See the State Department letter on that question in Marjorie Whiteman, ed., *Digest of International Law*, I (Washington, D.C.: U.S. Government Printing Office, 1963), 123-24. Text of the agreement in U.S. State Department, *Foreign Relations of the United States: the Soviet Union, 1933-39* (Washington, D.C.: G.P.O., 1952), 28-29.

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> Recently we refused to conclude an agreement with Hungary because we saw no need to buy the recognition of Hungary and of countries like Hungary, at the cost of concessions which might one way or another conflict with the interests of our Union. The other states [such as Belgium, Czechoslovakia, the Netherlands, or Yugoslavia] will have to take into account that the later they are, the worse it will be for them.[46]

The Soviets were able to extract at least one recognition because of their state's potential. They told the Danish government in early 1923 that it must grant *de jure* recognition by April 15, 1924, if it wanted to be able to conclude a commercial treaty on terms as favorable as other governments recognizing *de jure*. Even though the Danes did so in June 1923, they were not given the same treatment.[47] The Soviets also tried to extract Swiss recognition by requiring establishment of diplomatic relations before beginning negotiations on the Vorovsky affair, but the Swiss successfully resisted the pressure.[48]

Other governments resisted stipulations from far less favorable positions. The Theodore government of Haiti (November 1914 to March 1915) refused to sign conventions on foreigners' rights, financial reform, and nonalienation of territory before United States recognition because it realized it would lose all its domestic support if it did. The United States then dropped those stipulations in exchange for promises to hold elections and provide information to a commission investigating possible financial reforms.[49] When the Theodore regime was overthrown, the United States went back to the first set of demands, but the succeeding regime was also overthrown before any agreement could be reached. Only with a third regime was an arrangement concluded and recognition given.[50] For two years, the Obregón government of Mexico balked at signing treaties or making promises before recognition—saying that doing so would injure Mexico's dignity as an independent state—but eventually it signed some agreements before receiving United States recognition.[51] The governments of China and Turkey also resisted stipulations, and even attempted the more

[46] Degras (fn. 7), II, 30-31.

[47] Chen Ti-chiang, *The International Law of Recognition* (New York: Praeger, 1951), 285-88.

[48] Walter Burckhardt, ed., *Le droit federal suisse*, I (Neuchatel: Delachaux and Niestle, 1930), 189.

[49] George M. Reynolds, "The Recognition Policy of the United States as Applied in the Caribbean" (M.A. thesis, Columbia University, 1928), 62.

[50] Caroline Dinegar, "Some Aspects of the Use of the Recognition of new Governments as an Instrument of United States Foreign Policy" (Ph.D. diss., Columbia University, 1963), 234-35.

[51] U.S. State Department, *Foreign Relations of the United States, 1921*, II, 399-419.

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arduous task of securing agreement to revise the unequal treaties giving European and United States nationals far-reaching privileges on their territories. Since these negotiations involved more than the recognition of new governments, they are not treated here. They had in common some early renunciations of privileges by Austria, Germany, and the Soviet Union, and long diplomatic efforts to bring other governments around to accepting revision.

After joining the Allied side in World War II, most states in the Western Hemisphere used recognition policy to secure adherence to anti-Axis policies whenever a new government's intentions appeared questionable. New governments in Bolivia and Argentina in 1943, and in Argentina and El Salvador in 1944, had to allay doubts by promising to undertake specific actions—such as canceling contracts with German nationals or cooperating in efforts to capture Axis agents—before they were recognized.[52]

Some governments, particularly those of newly independent states, condemned the use of stipulations early in the postwar period. The Soviet Union, now joined by other communist allies, continued to criticize such conditions as a trick of "imperialism." Other governments said less about the matter, but the incidence of stipulations declined. At least one request for fairly routine assurances failed because the government involved read it as an attempt to impose stipulations: the communist government of Albania refused to comply with a U.S. request that it reaffirm all treaties in force between Albania and the United States as of April 7, 1939 (the date of Italian annexation). Instead, it reaffirmed the multilateral treaties to which both states were parties while leaving the bilateral treaties of conciliation, naturalization, and extradition suspended pending a postrecognition revision. The United States rejected this solution, withdrew its mission, and refused to recognize the new government.[53]

Again, relatively strong unrecognized regimes were able to set conditions for relations after recognition. The French, whose 1964 recognition of the communist government in China was without conditions, initially believed that they would be able to maintain some relations with the nationalists on Taiwan. The PRC quickly made clear that any such ties would have to be ended before it would exchange embassies, and France complied.[54] Upon its recognition of the PRC government,

[52] U.S. State Department, *United States Policy Toward Latin America* (Washington, D.C.: G.P.O., 1975), 14.

[53] Whiteman (fn. 45), II, 322-25.

[54] Stephen Erasmus, "General De Gaulle's Recognition of Peking," *China Quarterly*, No. 18 (April-June 1964), 196-97.

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the United States agreed to end all formal diplomatic ties and terminate its mutual security treaty with the nationalists, but kept extensive unofficial contact through an "American Institute in Taiwan" and continued certain arms sales.[55]

Inter-American interest in encouraging liberal democratic governance often took the form of stipulating early elections and the maintenance of civil liberties. Promises to this effect were usually accepted without scrutiny, but occasionally they became the focus of disputes. Between 1961 and 1963, successive military juntas in the Dominican Republic and Honduras tried to delay elections by playing on crude anti-communist fears arising from the establishment of a communist regime in Cuba. Other governments in the hemisphere were not impressed and insisted on elections.[56] A junta that seized power just before the 1962 presidential elections in Peru got an unfriendly reception until it gave acceptable assurances of early free elections and return to civilian rule.[57]

Unlike the stipulations of previous periods, most postwar stipulations concerned the new government's general policy rather than protection of the recognizing government's nationals or interests. For instance, many African states did not recognize the Spinola government of Portugal, which came to power after a coup in April 1974, until it formally accepted the independence of all of Portugal's African colonies.[58]

IV. Recognition and the International System

The preceding cases demonstrate that the character of the international system affects recognition decisions in a number of ways. It also affects the legal rules governing recognition.

Effects on Recognition Decisions

Although instances of political use of recognition have increased in the 20th century, one can argue that the proportion of political uses to total decisions has remained relatively constant. The total number of decisions can be determined by multiplying the number of extra-legal changes of government by the number of independent states existing

[55] *Department of State Bulletin*, Vol. 80 (1979), 270.

[56] Charles Cochran, "The Recognition of States and Governments by President John F. Kennedy" (Ph.D. diss., Tufts University, 1969), 270; *Revue general de droit international public*, Vol. 70 (No. 1, 1966), 182.

[57] See a typical statement of expectations in *Department of State Bulletin*, XLVII (1962), 348-49.

[58] *New York Times*, June 10, 1974, p. 1.

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at the time. Between 1815 and 1914, with approximately 50 states in the system and some 206 extra-legal changes of government (an average of just over 2 a year) there was a period total of 10,300 decisions. In the interwar period, with about 62 states and 110 coups (an average of 3.5 a year) there was a period total of 6,820 decisions. In the postwar era, the number of states rose from 74 to 160, with most of the increase after 1960. There were 140 extra-legal changes of government—an average of 4 a year. Taking the differences in length of period into account, one might say that there are on average 104 decisions per year in the 19th century, 220 per year in the interwar period, 295 in 1960, and 640 in 1980. To remain constant in proportion to the number of decisions, the number of political uses would have to rise.

This aggregate approach obscures some important differences among eras. In the 19th century, expressions of opinion by hasty or premature recognition or through long delays in recognition were unusual, but attempts to impose stipulations were a regular feature of relations between older and newly established governments. During the interwar period, expressions of opinion sometimes led to the withholding of recognition for five years or more; despite the problems involved, the practice was becoming, if not common, then at least not so rare as to be remarkable. Attempts to impose stipulations continued, though with decreasing frequency. In the postwar period, attempts to impose stipulations almost disappeared, and residual uses were directed more at general policy than at the protection of the recognizing state's nationals or material interests. On the other hand, use of premature recognition and prolonged nonrecognition to express approval or disapproval was quite common, and was sometimes backed by supplementary measures. Clearly, these are changes that require explanation, and explanation ought to begin at the most general level, with the international system.

The influence of the balance of power may best be assessed by first separating it into its components. The number of strong powers in the system is important only if one of them enjoys, or can temporarily create, a clear predominance. Though there are no instances of global hegemony, regional hegemonies provide examples. The experience of small European states between 1815 and 1830, of Caribbean states from 1890 to 1930, and of Eastern European states after 1945 suggests that the opinions and recognition decisions of a hegemonial power would affect those of all others, and that the hegemonial power would be less reluctant (but in some cases less obliged) to back its political uses of recognition with supplemental measures. As long as the Quadruple

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Alliance held together (and Britain did not attempt to challenge its policies), it was able to deny recognition and even to intervene in order to assure the establishment or, more often, the continuance of absolutist governments. When France left the Alliance after 1830, the French and British could form a countercoalition which greatly restricted absolutist activity, as exemplified in the lack of intervention in Spanish civil strife during the 1830s and in most of the 1848 uprisings. The victorious coalitions of both World Wars were able to impose their views on others as long as they held to common policies or agreed on spheres of influence.

Conditions similar to hegemony can be created temporarily despite the existence of two or more strong powers: if all agree on and pursue a common policy, the rest are forced by circumstances to defer to one power's wishes. Historically, this has occurred in regional politics. In 1917, the United States could put great pressure on the Tinoco government of Costa Rica, though Costa Rica lay outside the normal area of strongest U.S. influence: Britain and France refused to help Tinoco for fear of alienating their new ally, and other strong powers were too involved in World War I to offer Tinoco the loans he urgently needed or the recognition he wanted.

Wherever there are two strong powers, there is a possibility of getting from one of them the recognition and perhaps help that the other refuses. United States efforts to impose stipulations on new Haitian governments in 1913-1914 were greatly impeded by French and German recognition, even though Haiti was in an area conceded by the others to be in the U.S. sphere of influence. The existence of more than one strong power also gives weak states room to pursue their own recognition policies, particularly within their own region. Postcolonial African states were freer to develop their own regional policies because foreign powers largely stayed out of African affairs (at least until recently) and have been willing to follow African preferences. On the other hand, Latin American efforts to create regional policies have been complicated by the activity of the United States. The states of Eastern Europe generally must follow the Soviet Union in recognition, but the Sino-Soviet rift may afford them room for choice in certain cases, such as in that of the Lon Nol government of Cambodia.

Disparity of material capability clearly affects the success of political uses of recognition, but governments have not always kept this fact in mind. In the 19th century, practice conformed to the dictates of prudence. Whether intending to help, hinder, or pressure a new government, such efforts were applied only to a state that was definitely

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weaker—and then only if it was not likely to receive aid from another strong power. Thus, the Quadruple Alliance confined its activities to the weak states of Europe, but left the constitutionalist government of Portugal alone because it enjoyed British protection. The United States restricted its political uses of recognition to the small states of the Caribbean and Central America. Pressures on states with greater potential strength, such as Mexico or China, tended to be applied by a group of powers. In fact, Mexico in the 1860s provides an important example of caution. French recognition of conservative governments was coupled with intervention in their favor only after Mexico's most likely protector, the United States, was preoccupied with a civil war. Other European powers were reluctant to join even then, still deeming intervention to be too risky. After April 1865, when the United States was free to apply its power abroad, the French quickly reduced and then ended their activity on behalf of the Mexican Empire, which fell in 1867. Political use of recognition against strong powers was confined to delaying recognition as a sign of disapproval, as in Russia's delay in recognizing Louis Philippe, or the United States scruples about recognizing Napoleon III as Emperor of France.

Selection of targets became less prudent in the interwar period. Attempts to influence the Soviets by nonrecognition after their victory in the Russian civil war were in vain. Most European governments soon realized this and recognized the Soviet Union by 1925. United States motives were mixed, but the other governments that continued nonrecognition of the Soviets into the 1930s and 1940s meant to avoid relations more than anything else. Other failures of recognition policy stemmed from applying pressures to states that had once bowed, but now decided to bow no more. The nationalists in Turkey were able to face up to the great powers, and even beat off a Greek intervention. Successive governments in China proved to be more resistant to pressure as time passed, though easy in comparison to the postwar PRC government.

After World War II, prudence again ruled: except for some prolonged nonrecognitions of the PRC government that were not motivated solely by the desire to avoid relations, political uses of recognition were confined to weak states by strong powers, and to even weaker neighbors by others. As in the 19th century, small powers sometimes joined in political uses of recognition policy that had been initiated by strong powers; now, however, small powers also initiated such uses on their own.

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Flexibility of alignment has some indirect effects on recognition. Though political uses of recognition are unilateral acts, their success often depends on the attitudes and actions of third governments. That is true for both strong and weak states, though in the case of strong states the relation between the attitudes of third governments and the general flexibility of alignment in the international system is less important.

After 1830, the great powers seldom sought to upset each other's policies. They had a common interest in maintaining the existing international system, with its special rights and duties for great powers. Changes of government in the 19th century seldom posed problems that seemed to threaten the international system; the problems that did arise concerned the material interests of one or more great powers. If the material interests of several powers were involved, as in Morocco and China in 1911, or in Mexico in the 1860s, cooperation was usually easy. Where the interests of only one power were involved, the others generally allowed it to proceed without much interference. In most cases, this restraint was possible because there were fairly clear understandings about whose interests predominated where, or because the area or the question at hand was not sufficiently important to be worth making trouble over. Fluidity of alignment may have played a role here, in the sense of making minor gains and losses less significant and therefore more easily borne.

During the interwar years, the attitudes of third governments differed widely in specific cases, and there is some relation between these shifts and the fluidity of alignment. During 1917, Britain, France, and Italy, who were bound to the United States in a wartime coalition, did not extend recognition or aid to the Tinoco government of Costa Rica, allowing the United States to pursue its policies without hindrance from them. In the interwar competition for friends, the uncertainties of alignment sometimes led to rather complicated situations. For instance, when Albania became a monarchy after a plebiscite in 1928, the Italians, who had encouraged and supported the idea, recognized the new form of government at once. Yugoslavia was put into an uncomfortable position: it did not want to act without knowing British and French attitudes, but feared that delay would only help Italy to consolidate its influence in Albania. The United States, probably unaware of the complications in the situation, decided to recognize the monarchy a week later. The Albanians were elated; Italy was relieved because the Anglo-French silence was ominous. After some consultation,

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Yugoslavia recognized the monarchy the following week, and Britain and France followed after a further delay.[59] The Soviet government, which was more aloof from competition for influence in the Balkans at that time, waited until 1934 to recognize the monarchy, by which time it feared German and Italian designs in the area and sought to counter them.[60]

Divisions among great powers, while quite open in the postwar period, were not usually relevant within their respective spheres of influence, but did apply everywhere else; this situation changed little as flexibility of alignment outside the cores of the blocs increased. Postwar experience shows clearly, though, that flexibility of alignment is important to the recognition policies of small states. When fluidity is high, as it has been since 1960, weak states can pursue their own policies with greater freedom and may even conduct regional politics independent of great-power confrontations, as has been the case in Africa and the Mideast. They may be able to pursue policies different from those of their closest superpower ally. Greater fluidity has even affected events in Eastern Europe. Though the issue of recognition was not raised directly, the Romanian and Yugoslav governments felt able to criticize Soviet intervention in Czechoslovakia in 1968, whereas in 1956 there had been no dissent in the whole communist world about the necessity of Soviet intervention in Hungary.

Thus, the distribution of power has two notable effects on political uses of recognition. First, whenever one power enjoys hegemony over an area, it has a much easier time imposing its desires through recognition policy. As soon as there is a second strong power in the area, political uses of recognition become much more problematical. Second, greater fluidity of alignment allows weak states both to protect themselves from single-power domination and to pursue their own political uses of recognition.

In contrast, the effect of international ideological conflicts is striking. This is evident when one compares practice in the relatively nonideological period 1830-1914 with that in the ideological periods 1815-1830, 1917-1922, 1922-1945, and 1945-1974. One may reasonably expect a greater number of attempts to use recognition for political ends in periods of high interstate ideological conflict because encouragement or discouragement of new regimes becomes more important. New adherents to

[59] U.S. State Department, *Foreign Relations of the United States, 1928*, I (Washington, D.C.: 1942), 850.

[60] Robert Slusser and Jan Triska, eds., *A Calendar of Soviet Treaties, 1917–1957* (Stanford, Calif.: Stanford University Press, 1959).

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the ideology are most quickly won by affecting the choice of government, thereby adding new recruits to the group of sympathetic states.

Between 1830 and 1914, prolonged nonrecognitions were few; most of them involved the imposition of stipulations. The longest periods of nonrecognition lasted three years: the United States nonrecognition of the French-sponsored monarchy in Mexico from 1864 to 1867, and British nonrecognition of the new Serbian king from 1903 to 1906 in protest of the violence employed in the coup bringing him to power. Premature recognitions were also fewer than during other periods; international law requiring foreign neutrality in civil-war situations held relatively firm, and the obligation to avoid premature recognition was generally respected.

The use of recognition (and other means) to encourage or discourage new governments was more frequent both before 1830 and after 1917. Premature recognition increased during the 20th century, particularly after 1935, as the old preference for foreign neutrality in civil wars was replaced by interventions to help one or another ideologically sympathetic contender; it was also used to express support for a new government still consolidating its power though not faced with opposition amounting to civil war. Discouraging new governments by refusing them recognition was not only more frequent, but also lasted longer. In the Portuguese struggle between absolutists and constitutionalists from 1826 to 1833, a number of nonrecognitions lasted all seven years. After 1917, nonrecognitions lasting more than 20 years were almost common: Latin American states did not recognize the Soviet government until the mid-1940s; Mexico, the Soviet Union, and Yugoslavia denied recognition to the Franco government in Spain from 1939 to 1977; and Australia, Belgium, Canada, Italy, Japan, Mexico, and the United States refused to recognize the PRC government from 1949 until at least 1970.

Thus, the level of ideological conflict between states is an excellent predictor of the number of expressions of opinion that will be made through recognition decisions. In periods of high ideological conflict, there is a strong temptation to forget that recognition of governments exists for certification of status. If 20th-century experience is a guide, high levels of ideological conflict between states seem to outweigh the arguments in favor of recognizing any government that is in control of its state.

Other characteristics of the international system have caused the near-disappearance of attempts to impose stipulations in return for recognition. A combination of changes in norms of conduct and in the

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level of interdependence largely explain their demise. General adherence to the ideals of self-determination and the sovereign equality of states now put the burden of explanation on those who attempt to pressure a smaller state. Even before the existence of nuclear weapons, the use of force was becoming less feasible. The growth of international organizations and the elaboration of methods for peaceful settlement of disputes, together with doctrinal categorizations of uses of force into aggression, self-defense, and collective sanctions, have helped to discourage force in settling relatively minor grievances. Small states are better equipped to resist some military measures. Governments have discovered that interdependence has given them different, and often better, ways to secure concessions from others. Pressure can be more easily exerted by recognizing the new government and afterwards applying such measures as prohibiting weapons purchases, suspending aid, or interrupting trade. To the extent that ideology has had an effect on stipulations, it has been an indirect one; the narrowing of legal effects attributed to recognition (or refusal of recognition) that stemmed from states' desires to preserve symbolic uses of recognition in an interdependent world has enabled new governments to live more easily without recognition, thus largely removing the reasons new governments would accept stipulations in the first place.

EFFECTS ON THE LAW OF RECOGNITION

It is difficult to specify any particular effect the distribution of power has had on development of the law of recognition. Several effects are directly traceable to the increase in ideological conflict during the 20th century, especially when taken together with the concurrent increase in contact between and interdependence among states. Two of them have been of particular importance: the separation between practical and symbolic aspects of recognition as evidenced by the effort to narrow the impact of nonrecognition, and the encouragement of reforms in doctrine and practice that would reduce the area of discretion in recognition decisions.

In the 19th century, recognized and nonrecognized governments were treated in very different ways. Only recognized governments were considered to be agents of their states capable of making long-term agreements, settling political questions, regulating commerce and other contacts with foreigners, and exchanging diplomatic representatives. Unrecognized governments could be consulted about pressing matters, such as the fate of foreigners in areas of the state marked by civil strife; they were considered to be capable of making temporary

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arrangements about technical, administrative, and other routine nonpolitical matters so long as this was done quietly and without the public ceremony that marked relations with recognized governments.

This distinction encouraged lawyers and statesmen alike to believe that it was impossible to have extensive relations without recognizing a new government. As interdependence among states increased, many legal scholars predicted (or hoped) that the need for wider and more continuous relations among governments would force statesmen to forget about political uses and to recognize whatever government effectively ruled each state. Statesmen, however, preferred to retain the option of granting or withholding recognition for political reasons. Since most political uses entail the withholding of recognition, they could preserve the option by expanding the range of relations that could be handled by an unrecognized government.

In one respect, this development was grasped as the easiest solution. Many of the prolonged nonrecognitions of the 20th century were based on deep antipathies shared by or encouraged in the general population. Often, the need for contact, or the realization that a wise foreign policy was based on accepting the facts, brought all or some members of the government to the point of accepting some relations well before parts of the population and even some of their colleagues were ready to do so. Caught between fears that recognition would be viewed as a major change in attitude toward the new government[61] and the need for contact, policy makers simply expanded the categories of "informal," "technical," "administrative," "nonpolitical," and "temporary" relations permitted in 19th-century international law.[62]

This expansion began immediately after World War I, but became doctrine only after 1945. A 19th-century lawyer or statesman, accustomed to strict distinctions between recognized and nonrecognized governments and to minimal relations with the latter, would have been baffled by the wide range of contacts between the United States and China from 1972 to 1979: a government was making important agreements and carrying on the virtual equivalent of formal diplomatic relations with another government that it did not recognize.[63] This

[61] On the power of such ideas, see discussion in U.S. Senate Committee on Foreign Relations, *United States Recognition of Foreign Governments* (Hearings on Senate Resolution 205, 91st Cong., 1st sess., 1969).

[62] See Hackworth (fn. 27), I, 327-86; Whiteman (fn. 45), II, 524-745; Kiss (fn. 16); Lauterpacht (fn. 42), chap. 20; Chen (fn. 47), part 3; Joe Verhoeven, *La reconnaissance internationale dans la pratique contemporaine*, I, chap. 11; and M. J. Peterson, "Recognition of Governments" (Ph.D. diss., Columbia University, 1976), chap. 5.

[63] On the progress of relations between the U.S. and the PRC, see *Department of State Bulletin*, Vols. 50-70 (1969-1979), throughout.

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weakening of the old distinctions has also allowed statesmen to express finer shades of disapproval by mixing nonrecognition with different combinations of limits to contact. In fact, it has created a situation in which nonrecognition is not unlike recognition in that it presupposes, but does not assure, relations of a certain character. Recognition always meant that extensive, formal, and political relations could begin, but did not guarantee their establishment or continuation. Today, it may be argued, nonrecognition means, but does not guarantee, a lack of relations.

The second effect is less straightforward, but potentially significant. A number of governments—often but not always those that have been victims of political uses of recognition—have begun to press for changes in law that would reduce such political uses. A few of them support proposals to make recognition a collective process through global or regional organizations, which would make it difficult for individual governments to pursue their own ends (though a regional consensus could be applied). Others support changes that would abolish or greatly reduce use of recognition in general, which would also have the effect of reducing political use. Mexico in the 1930s, or the Soviet Union in the 1920s, supported such changes because they had recently been victims of political uses. Other states, such as Switzerland and Britain, support changes not because they have been victims, but because they believe that recognition should be used only to certify status and that refusals to have relations with other states solely on ideological grounds hurt their own interests and do not serve a useful purpose globally.

V. Conclusions

The recognition decisions of individual governments and the law on recognition have been influenced to a great extent by the level of ideological conflict between states, somewhat less by increased contact among states and changes in the norms of international conduct, and only a little by changes in the distribution of power. The effects of the characteristics of the international system on the law and practice of recognizing new governments are real, but they are not the only influences at work. Regional systems, the relations between two individual states, and the preferences of national governments all play a role.

A particular government's decisions cannot be understood simply from an aggregate approach to ideological conflict; the impact of

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ideology depends very much on regional and individual factors. Governments differ markedly in their use of ideologically based recognition policies. The United States government has been the most concerned, whether supporting republicans and constitutionalists in the 19th century, encouraging inter-American schemes, or refusing to recognize military juntas or Marxist-Leninist governments in the 20th century. The Soviet Union has also leaned toward ideological uses, as seen in its interwar experiments with premature recognition; but since World War II it has applied ideological criteria only sporadically outside Eastern Europe. Self-styled "radical" African governments have been more interested in ideological uses than were "moderate" ones; though the latter flirted with the idea of refusing recognition to the coup-born government of Togo in 1963, the former actually withheld recognition for a time after the 1966 coup in Ghana and the 1971 coup in Uganda. Switzerland has made it clear since 1848 that its recognition decisions would be based solely on effective control—a wise policy for a weak state desiring to preserve its neutrality. Britain and many Commonwealth states tend to ignore ideological considerations.

There have been attempts to set a regional policy based on ideological criteria. In the Western Hemisphere, most discussions of recognition have centered on how to use it for discouraging monarchism, military coups, fascism, or communism. Dissenters have been able to prevent adoption of the most ambitious ideas, but they have been too small and too changing a group to secure regional adoption of policies restricting recognition to its nonpolitical functions. This may be the result of the leaders' preferences. At any time in the Americas, there are some statesmen who are interested in abolishing political uses, and some who are interested in refining them. Since the leadership of particular states will shift between them, the two currents of opinion have never allowed each other to triumph for very long.[64] Various African governments briefly considered using recognition to discourage coups, but their different postwar situations and inheritance of British and French biases against political uses prevented adoption of the idea. The Soviet Union's Brezhnev Doctrine may be read as establishing ideological criteria for recognition of new governments in Eastern European and other neighboring states that have Marxist-Leninist governments.

There is also an element of accident in political uses of recognition. Since recognition is irrevocable once given, a government cannot respond retroactively to an ideological difference it failed to perceive when

[64] See Dinegar (fn. 50); Galloway (fn. 33); and Robert McChesney, "International Law and Mexican Foreign Policy" (Ph.D. diss., University of Virginia, 1969).

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making its decision. For instance, though its subsequent policy of restricting contacts has been so severe as to make many of its own citizens believe otherwise, the United States recognized the Castro government in Cuba within a week of its accession.[65] Governments that tend to use recognition for political purposes but miss their chance must thus use other methods of influence and expression.

Regional and individual differences also help to explain why some governments have attempted to impose stipulations more often than others, or why they did so more often in some areas than in others. In the 19th century, many states organized their imperial realms into colonies, where they had direct control. Thus, it was unnecessary for them to use the weaker form of control provided by stipulations. With a few exceptions, United States imperialism was expressed not in colonialism but in military hegemony and political pressure on nominally independent states. Since most of the weak independent states in the world were in Europe or Latin America, these areas came in for much of the attention.

Whether one seeks to gain understanding of how individual recognition decisions are made, to influence the way in which a particular government makes decisions, or to guide the evolution of international law on the matter, it is impossible to ignore the effect of the international system. Though the preferences of individual leaders, the habits of particular governments, the state of relations between two individual governments, and the nature of regional politics seem the more obvious places to look for influences on decisions, the character of the international system does affect the likelihood that certain types of decisions are made. In particular, so long as ideological conflict between states remains intense, political uses of recognition will not disappear.

[65] The text of the note of January 6, 1959, formally expressing recognition, appears in *Department of State Bulletin*, XL (1959), 128.

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U.S. POLICY TOWARD FOREIGN DIRECT INVESTMENT

By ROBERT T. KUDRLE and DAVIS B. BOBROW*

I. Introduction

SOME years ago, the author of an influential article argued that "trade policy is foreign policy."[1] Many found it odd, then, that such a case would have to be made. Trade policy is indeed a critical part of any nation's foreign policy, and U.S. policy during the postwar period has shown both continuity and change.[2] Foreign direct investment policy gains importance because a large share of world trade now takes place within firms operating in different countries. Foreign direct investment (FDI) also can have foreign policy significance independent of its role in world trade. Its essence is, after all, control by non-nationals. It constitutes a foreign-controlled economic presence within a sovereign state, with all of the suspicions and conflicts that implies.[3] Perceptions of these threats gain credibility from the sheer size of many multinational corporations whose volume of final sales dwarfs that of many countries. For example, in 1978, 40 percent of the hundred biggest economic units in the world were corporations: General Motors' sales surpassed the gross national product of Yugoslavia; in 1979, Exxon's sales exceeded the total product of East Germany and of Iran.[4]

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[1] Richard N. Cooper, "Trade Policy Is Foreign Policy," *Foreign Policy*, No. 9 (Winter 1972), 18-36.

[2] Robert Baldwin, "The Political Economy of Postwar U.S. Trade Policy," *The Bulletin*, No. 4 (1976), 5-37; Stephen D. Krasner, "U.S. Commercial and Monetary Policy: Unravelling the Paradox of External Strength and Internal Weakness," *International Organization*, XXXI (Autumn 1977), 635-71.

[3] Leo Model, "The Politics of Private Foreign Investment," *Foreign Affairs*, VL (July 1967), 638-51.

[4] "The Top One Hundred Economies," *Across the Board*, XVII (May 1980), 9.

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"Control" is easier to recognize in specific instances than to define generally. The share of ownership necessary to exercise decisive influence in an enterprise is typically much less than 51 percent, but it will vary from firm to firm, primarily because of the overall distribution of ownership. The Department of Commerce defines direct investment as including all ownership of 10 percent or more of the equity of an enterprise. Using this standard, the United States, with $213 billion, was the largest "home" country for FDI in 1980, as well as the second-largest "host" country (after Canada), with $65 billion invested.

In this essay, we propose to develop an approach to U.S. policy concerning outgoing foreign direct investment (OFDI) and incoming foreign direct investment (IFDI) that will explain past and present policy well enough to allow for a confident prediction of their future central elements. Our concern lies with broad national postures and the policy process that maintains or changes them, not with narrow policy decisions. We seek to understand the absence as well as the presence of positive policy: an empty policy space demands explanation as much as a full one. Finally, we seek some understanding of process, in particular of the roles of public politics versus intragovernmental or intrabureaucratic decision making.

In our exploration, we first review alternative explanatory approaches from the literature; second, we introduce an approach that seems more satisfactory to us on *a priori* grounds; third, we apply this approach to examine past and contemporary policy; and, finally, we forecast U.S. OFDI and IFDI policies for the coming decade.

II. Alternative Approaches to Policy Explanation

The most cursory look at the history of U.S. foreign investment policy suggests that explanatory theory must contain at least two major ingredients. First, the theory should be able to explain stability at least as well as it explains change: as will be shown, there was rather little substantial change in IFDI or OFDI policy between 1945 and the present. Second, the theory must be able to interpret the way in which various policies are (a) handled with executive discretion; (b) generated by congressional concern largely independent of direct public pressure; or (c) changed or maintained mainly because of public opinion or organized political forces in the larger society.

These considerations eliminate a number of approaches of proven value for understanding other areas of foreign economic policy: mind-

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sets and bureaucratic politics, statism, intragovernmental relations, Marxism, and interest-group pluralism.

MINDSETS AND BUREAUCRATIC POLITICS

The "mindset" approach places heavy emphasis on the differing fundamental beliefs of various policy makers in determining the specific outcomes of the policy process.[5] This approach is better suited to explaining change than continuity. Also, it cannot explain stable policy over long periods of time, where attention must necessarily be directed to the process that selects individuals for key decision-making positions. The same limitations apply to the "bureaucratic politics" approach, which expands the mindset perspective by stressing individual characteristics other than intellectual predilection.[6] Like the mindset approach, it has the greatest power when a small number of persons has autonomy to make a quite specific decision. That is not our problem since there are no single decisions of any consequence that we seek to explain.

STATISM

The statist approach appears to offer a focus on intertemporal stability of policy. The logic of all governments supposedly produces an elite that pursues its conception of the national interest with considerable autonomy from other groups in society—a notion implicit in unitary rational actor models of national security policy. In recent years, the approach has been used by analysts of foreign economic policy as well.[7]

Krasner finds the statist position compelling for U.S. policy toward raw materials investments. (He does not address important areas of our policy concern: other kinds of U.S. OFDI and any IFDI to the U.S.) Krasner discerns a consistently ordered pursuit of objectives by those in the State Department and the Executive Office of the President in charge of this policy area. He maintains that these ordered preferences

[5] For example, see John S. Odell, "The U.S. and the Emergence of Flexible Exchange Rates: An Analysis of Foreign Policy Change," *International Organization*, XXXIII (Winter 1979), 57-81.

[6] For example, see Jessica Pernitz Einhorn, *Expropriation Politics* (Lexington, Mass.: D.C. Heath/Lexington Books, 1974).

[7] Robert Gilpin, *U.S. Power and the Multinational Corporation: The Political Economy of Foreign Direct Investment* (New York: Basic Books, 1975); Peter J. Katzenstein, "Introduction: Domestic and International Forces and Strategies of Foreign Economic Policy," *International Organization*, XXXI (Autumn 1977), 587-606; Stephen D. Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton: Princeton University Press, 1978).

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are autonomous in the sense that they do not represent a balancing of the interests of active groups. The most active groups in the cases he investigates were the directly involved business interests that were often opposed by the State Department and the Executive Office. However, successful resistance to the will of active groups does not establish that "the desires of the state cannot be reduced to some summation of private desires,"[8] because not all private desires may be represented in active groups. Also, the source of the statist preferences is never clearly identified; nor is their prevalence in the Department of State and the Executive Office of the President sufficiently justified. Bureaucratic isolation and paramount political status, like their opposites, can be sources of vulnerability and narrow self-interest. Finally, Krasner does not propose to explain the sorting device that allows some policies to be decided in the insulated world of statism while others are not. But for our purposes, we need to understand why Congress and other groups have, on occasion, been able to alter the range of generally broad executive-branch discretion over foreign direct investment policy.

Gilpin provides a careful and influential study of U.S. OFDI policy from a statist perspective.[9] He devotes a great deal of attention to the economic costs and benefits of alternative policies, and finds that policies originally designed to serve the U.S. national interest have become damaging to both the economy of the United States and to its international political posture. Yet we need political explanations he does not attempt—explanations that illuminate the political and economic forces which hold the present policies in place and suggest the political forces that might ultimately change them. These explanations must apply to incoming as well as to outgoing foreign direct investment policies.

INTRAGOVERNMENTAL RELATIONS

A satisfactory understanding of FDI policy requires a perspective that includes the relationships among governmental institutions. Many approaches seek regularities in the behavior of various groups within the government, either within the federal executive or between the Executive and the Congress, and reveal surprises about the policy process. For example, Robert A. Pastor finds the ideological commitment to free trade within the Congress in the 1970s to be generally of the same order as that in the executive branch, despite a sometimes more acute concern with ameliorating the difficulties such a policy

[8] *Ibid.*, 1-2.

[9] Gilpin (fn. 7).

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might bring.[10] What is more surprising is that he notes that interest groups have played a minimal role in the determination of both trade policy and foreign investment policy since 1960.

However, passivity on FDI has not been total. Since 1970, the AFL-CIO and some other groups have been officially on record as favoring strong restrictions on outgoing foreign investment, and many believe that public pressure on the issue is growing. This approach does not clarify the source of explicit policy standards that permeated congressional discussion; it simply treats them as givens.

MARXISM

One strand within Marxist thought—the instrumental Marxist position—suggests that the state will act in the immediate interest of the capitalist class. Particularly the older literature holds that capitalists control the government directly and are extremely short-sighted while pursuing the interests of their class. Yet much in the American record of both outgoing and incoming foreign direct investment clashes with this view. Antitrust policy, for instance, appears to put U.S. firms at a disadvantage vis-à-vis the firms of other countries. Another anomaly is the government's relatively weak response to Japan's blockage of foreign investment. Finally, it is not at all clear why the U.S. capitalist class would be so quiescent—in some quarters enthusiastic—about the massive growth of IFDI in the 1970s.

The more recent and more sophisticated writings of the structural Marxists offer explanations of these and other anomalies: instead of the government functioning as the "executive committee of the bourgeosie," it works to maintain the coherence of the society. But this conception comes very close to the system maintenance function that characterizes all governments. It is extremely difficult to distinguish between a state that is pursuing its view of the national interest and one that is consciously or unconsciously serving the ends of the capitalist order. The problem is particularly acute because of the frequent consonance between the interests of the capitalist class and the interests of the larger society—at least from the perspective of standard Western analyses of economic welfare and national security. Only in its structural variant does the Marxist approach provide a (superficially) satisfactory explanation of government policy; even here, it lacks precision and unique explanatory power (as will be clear from our subsequent

[10] Pastor, *Congress and the Politics of U.S. Foreign Economic Policy, 1929-1976* (Berkeley and Los Angeles: University of California Press, 1980), 197-98.

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account of U.S. policy). More fundamentally, it is based on what we regard as an implausible positive economics and value theory.[11]

INTEREST-GROUP PLURALISM

Although interest-group pluralism offers the scope we seek, it does so at the cost of precision and predictive ability. As critics from the discipline of economics have pointed out, the group is a concept too ill-defined for an understanding of its genesis, cohesion, or external effectiveness.[12]

The most influential interest-group account of foreign economic policy determination is that of Lowi.[13] He argues that types of issues can be linked to the "arena of power" ("regulative," "distributive," and "redistributive") in which they are developed and resolved. Yet, the meaning of the identification of issues and arenas remains ambiguous. Lowi maintains that he "defines policies in terms of their impact or expected impact on the society." But key actors bring differing expectations about the impact of policies to the political arena.[14] Lowi's arenas, in fact, mix the intentions of the various actors and the real impact of policy. His terminology is consistent with neither. Regulation

[11] For a discussion that considers other Marxist approaches and finds value in them, see Pat McGowan and Stephen G. Walker, "Radical and Conventional Models of U.S. Foreign Economic Policy Making," *World Politics*, XXXIII (April 1981), 347-82. Our approach also differs from that of McGowan and Walker in our evaluation of the usefulness of the typology of Theodore Lowi (see below).

[12] Mancur L. Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1965), 16-22; Richard L. Posner, "Theories of Economic Regulation," *Bell Journal of Economics and Management Science*, V (Autumn 1974), 335-58.

[13] Theodore J. Lowi, "American Business, Public Policy, Case-Studies, and Political Theory," *World Politics*, XVI (July 1964), 677-715.

[14] A vast literature discusses how interested groups sell policies—particularly under the guise of "regulation"—for ends that are mainly redistributive; i.e., they shift burdens away from, and bring benefits to, the group in question. The tariff policies Lowi cites as examples are almost all heavily, if not entirely, redistributive in this sense. The tariff, when applied to a specific commodity, protects the factors of production specific to that commodity ("regulatory"); when the same question is addressed at the sector level, both total costs and benefits are higher ("distributive"); and if the question is put in terms of general protection, there may even be an impact on the relative earnings of capital and labor ("redistributive"). The relevance of the tariff to the Lowi's third arena is only inferred, although elsewhere he comes close to acknowledging that: "it is interesting to note the absence of a foreign policy variant of redistribution. This might be due to my incomplete coverage rather than to a datum about the system. Devaluation might be an example of a redistributive use of resources in foreign policy." (Lowi, "Making Democracy Safe for the World: National Politics and Foreign Policy," in James N. Rosenau, ed., *Domestic Sources of Foreign Policy* [New York: Free Press, 1967], 325). It is well known, however, that devaluation is equivalent on trade account to a uniform tariff on imports and a uniform subsidy on exports. The essential difference among the three categories is the size and stake of the affected parties. There is no satisfactory explanation in Lowi for how tariff issues moved from his "distributive" to his "regulative" arena over time.

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appears to focus on governmental intent, while redistribution, in the sense in which Lowi uses it, often appears to be secondary to governmental intent (e.g., Social Security) while assuming primary importance for other groups.

For our purposes, it is difficult to know how to classify various FDI policies into one or another of Lowi's arenas, or to anticipate which conditions would maintain or change their status.

ECONOMIC APPROACHES

Some economists who have directly addressed political questions provide insights more useful for developing a theory that is adequate for our purposes than are those from the literature just discussed. We refer to the "public choice" approach to public policy developed in the 1960s; its intellectual roots go back to the Scandinavian public finance literature of the late 19th and early 20th centuries.[15] As might be expected from a theory that is really nothing more than microeconomics applied to non-market decision making, public choice theory starts with the individual and assumes maximization of well-being. (Well-being is often equated with wealth, but that is not necessary for the theory.) Public choice analysis avoids identifying the output of the political process with the will of the informed median voter. Instead, it emphasizes how externalities, the "free rider" problem, and imperfect information distort political outcomes. In its normative version, the approach presents a powerful set of criteria for assessing the functioning of actual political institutions. Our analysis of FDI policy draws heavily, if informally, on the public choice perspective.

III. A Suggested Approach

Along the lines of a public choice perspective, we believe that a satisfactory approach to FDI policy must encompass economic and non-economic values, and the political process through which these values operate on perceived situations to determine policy. The importance of political processes commits us to concepts that imply disaggregating the U.S. polity into groups and institutions, including bureaucratic and congressional actors. An understanding of the interests and political capacities of various major groups in the society is not sufficient; much

[15] For some pioneering American contributions, see Paul A. Samuelson, "The Pure Theory of Public Expenditure," *Review of Economics and Statistics*, XXXVI (November 1954), 387-89; James Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1962); and Olson (fn. 12).

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of the polity often evaluates foreign economic policy on bases other than those of narrow self-interest. We must address the question how groups conceive of the national interest. Ideology, as public choice theorists have acknowledged, is crucial; but it is difficult to treat satisfactorily.[16]

The usefulness of an approach to broader aspects of U.S. foreign economic policy established in our previous work[17] leads us to apply it to FDI policy as well. We submit that, in American international economic policy, three values, or criteria, are manifest and have dominated the views of policy makers. These are: (1) domestic prosperity, emphasizing employment and growth; (2) national autonomy, emphasizing independence from foreign pressure and manipulation; and (3) national security, emphasizing the capacity to generate and maintain a military margin of power sufficient to constrain any foreign enemy. The policy that is most attractive sacrifices none of these values, but advances all of them in mutually reinforcing ways.[18]

After World War II, a consensus developed among U.S. elites and informed publics that a set of policy aims of a more concrete kind was well-suited to achieving this trinity of values. Over time, as they apparently succeeded, these policy aims came to take on an independent ideological significance; that is, they achieved the status of quasi-criteria for policy. They became the operational indicators of progress toward, or retrogression away from, the fundamental values of prosperity, autonomy, and security. Thus, they came to stand as the presumptive bases for policy—bases held to be wise and sound until clearly proven to be otherwise. The quasi-criteria featured an open international economy, the maintenance of a framework to promote orderly dealing and to avoid international economic conflict, the bonding of allies and clients in a formal or informal anti-Soviet coalition, and the isolation and denial of economic benefits to hostile governments.[19]

[16] Thomas D. Willett, "Some Aspects of the Public Choice Approach to International Economic Relations," mimeo (Claremont Working Paper, Department of Economics, Claremont Graduate School, 1980), 29.

[17] Davis B. Bobrow, Robert T. Kudrle, and Robert P. Stoker, "Accountability Initiatives and Accountability Constraints: Bargaining Between the U.S. and the N.I.E.O.," *Jerusalem Journal of International Relations*, v (Fall 1980), 27-65.

[18] Robert O. Keohane, "American Policy and the Trade-Growth Struggle," *International Security*, III (Fall 1978), 20-43; Jacob Viner, "Power versus Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries," *World Politics*, I (October 1948), 1-29. It will be noted that these values are not specific to a particular form of economic organization; a state's political economy will, of course, largely determine who its international adversaries are.

[19] We are here mainly describing informed opinion rather than opinion reflected in public opinion polls; the latter has usually been much less internationalist and, on

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It seems to us inappropriate and possibly misleading to array the individual criteria and quasi-criteria in a particular order of importance—i.e., to assign constant weights to them. Their relative decisiveness fluctuates as one or another declines (or appears to be in danger of declining) below a satisfactory level. Each of the quasi-criteria may have causal links to more than one of our criteria.

The criteria and quasi-criteria provide the ideological context of the FDI policy process. The process, in turn, is characterized by four determinants. These are: (1) ideological consonance, (2) impact transparency, (3) diffusion and concentration of perceived costs and benefits, and (4) political capacity of groups or institutions.

Ideological consonance has to do with the perceived compatibility between a particular policy option and the criteria and quasi-criteria. For purposes of foreign investment policy, attention to a pervasive set of ideological tenets is sufficient. For a satisfactory examination of many other policy areas, a separate consideration of the ideological predispositions of various groups in society would be necessary. High ideological consonance implies the perceptions of large and widespread benefits from the policy. Opponents of high-consonance policies who call attention to their aims often defeat themselves by mobilizing those who perceive benefits from the policy.

Impact transparency involves the extent to which the consequences of a policy are clear or murky. If they are clear, the other three process determinants all affect the outcome in important ways. If they are murky, the reaction of groups and institutions may well be muted, perfunctory, or inconsistent. Obviously, consequences will most frequently be murky for groups for whom information is particularly costly, and most frequently clear for groups whose cost of information is insignificant. The former types of groups and institutions, having low political capacity in terms pertinent to the policy involved, usually must rely on the credibility of institutions and groups that support or oppose the policy.

As to the third factor, *the diffusion or concentration of perceived costs and benefits*, those with the most to gain or lose on a per capita basis will be far more prominent in the determination of political out-

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economic matters, more protectionist. Nevertheless, even by the late 1970s, after much sensational discussion of the negative effects of both incoming and outgoing foreign investment, a majority of Americans either favored both phenomena or had no feelings about them. See Don C. Piper, "Foreign Direct Investment in the United States," in Don C. Piper and Donald Tercheck, eds., *Foreign Policy as Public Policy* (Washington, D.C.: American Enterprise Institute, forthcoming).

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comes than any construction of the "public interest" would suggest.[20] There is, of course, a certain minimum threshold of costs or benefits before an issue may engage the serious attention of actors in the policy process, including those in the executive and legislative branches. The costs and benefits of issue involvement have to be weighed, together with the costs of political activity. When costs and benefits are diffuse and modest, we expect a rather bland policy process, marked by little activity. When both costs and benefits are diffuse but large, we expect an intense and prolonged policy debate, with many participants attempting to influence the outcome. When both are concentrated and substantial, we expect a rather small number of participants to become heavily involved. When they are large, but concentration is all on either the cost or the benefit side, the outcome is essentially known: policy options are either nonstarters or obvious winners. If an issue (usually a nontransparent one) can be packaged with other issues in a way that tilts toward one or another of those categories, such framing will itself be a matter of political influence and attempted manipulation.

The final factor—*the initial political capacity of different groups and institutions*—affects the incremental costs of issue involvement and even of issue information. It is one thing to shift existing capabilities to a new policy area, but another to start assembling those political resources from scratch. When seriously affected groups are organized to influence some public institutions more than others (the Executive or the Congress, the Treasury or the State Departments), they will attempt to channel the policy process accordingly.

The central elements in our approach obviously operate simultaneously and interactively. Vivid images of consonance and dissonance between policy values and prevailing policy affect the nature of perceived costs and benefits. Stocks of political capacity, perceived costs and benefits, and impact transparency affect judgments of ideological consonance, both within the policy process and by its constituents.

Can the elements of our approach, taken together, really be used to predict the occurrence and outcome of policy disputes over foreign direct investment? The sharpness of prediction will vary from issue to issue, but the following pages with demonstrate that the combination of a small set of widespread values, coupled with a theory of process derived from economics, will go a long way toward illuminating the history of U.S. foreign investment policy in response to various stimuli, and will provide a solid basis for projecting the near future.

[20] James Q. Wilson, *Political Organizations* (New York: Basic Books, 1973); Olson (fn. 12).

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IV. Examining the Past

The multinational corporation was a fairly familiar phenomenon even before World War II. The U.S. owned about 7 billion dollars of direct investment at the eve of the war, while it also held $3.8 billion of long-term and $600 million of short-term securities. The size and composition of these figures changed dramatically after the war. In 1980, after a sustained period of freer trade and continuously improving transportation and communication, direct investment was $213.5 billion; long-term indirect, $62.1 billion; and short-term indirect, $237.7 billion.[21] Over the same period and especially in the 1970s, foreign direct investment in the United States grew dramatically, but the high quality of U.S. capital markets caused noncontrolling investment to boom as well. Before World War II, foreigners controlled only $2 billion in the U.S., while long-term portfolio investment was $4.3 billion, and short-term holdings were $3.3 billion; by 1980, the figures were $65.5 billion, $74 billion, and $165.7 billion, respectively.

THE IFDI EXPERIENCE

What do our considerations lead us to anticipate about incoming foreign direct investment policy? Domestic prosperity will appear to be tangibly served by an inflow of direct investment, bringing, as it does, new activity and new jobs. On the other hand, certain sectors of the economy—particularly the defense and communications sectors—will seem to be compromised by foreign ownership; thus the criteria of national security and national autonomy could be seriously affected. Given our quasi-criteria, we expect these exceptions to be minor. Commitment to an open international economy and the bonding of anti-Soviet allies, as well as an aversion to exacerbating economic conflicts among states, suggest great freedom for foreign capital in the United States.

As for impact transparency, the contribution of industrial investment to jobs, the tax base, and possibly exports is likely to be more widely understood and far more easily seen than a possible negative side effect: the strengthening of foreign firms for greater worldwide competition through their experience in the U.S. market, including imitation of U.S. processes and methods.[22] Exceptions will be highly visible

[21] *Survey of Current Business*, various issues; see Raymond Vernon, *Sovereignty at Bay: The Multinational Spread of U.S. Enterprises* (New York: Basic Books, 1971), and his *Storm Over the Multinationals: The Real Issues* (Cambridge: Harvard University Press, 1977), for a history of the development of OFDI.

[22] Arnold W. Sametz, "The Foreign Multinational Company in the United States,"

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cases of foreign investment that seem to involve an exchange of assets with no apparent increase in "tools" for Americans. In these instances, vague fears of foreign exploitation and domination may be widely felt.

While gainers from IFDI will be concentrated and highly aware, conscious losers are harder to identify. We might expect some sense of threat from competing firms in affected industries; but, in view of the probably low effect on net employment, it is hard to see where effective political action would come from. The affected parties are likely to be diffuse. Except for some loosely organized trade associations, there will be no important preexisting political organizations likely to take up the losers' cause. Most business interests will be indifferent, or even apprehensive that U.S. protectionism might breed retaliation abroad.

Historically, the most striking feature of American IFDI policy has been its absence, as well as a lack of political activity at the federal level. In fact, until the early 1970s IFDI policy was "something other countries had."[23] There was relatively little sense of national policy toward, and little consciousness of, incoming foreign direct investment. Such investment had played an important part in the development of the American continent in the 19th century,[24] but most of that was liquidated during the two World Wars and the Depression. We are left to test our approach to IFDI against fragments of policy and temporary upsurges in policy activity.

Federal restrictions on the inflow of direct investment are of relatively long standing and focused on sectors with strong implications concerning national security or national autonomy. Aviation, ship-building, and nuclear matters illustrate the first; banking and communications the second. Ownership is barred or restricted to noncontrolling positions. Treatment of legally appropriate foreign subsidiaries is usually indistinguishable from that of domestic firms. The situation differs only in times of war or national emergency (the Trading with the Enemy Act of 1917 and the International Emergency Powers Act of 1977), a pattern clearly consistent with our national security criterion and the quasi-criterion of isolating and denying benefits to hostile governments.

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in Jules Backman, ed., *Multinational Companies, Trade and the Dollar in the Seventies* (New York: New York University Press, 1974), 87-105.

[23] Pastor (fn. 10), 217.

[24] Fred L. Morrison, "Legal Regulation of Alien Land Ownership in the United States," U.S. Department of Commerce, *Foreign Direct Investment in the United States* (1975), Appendix M.

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As predicted, the policy community's attention to IFDI has waxed and waned mainly with the degree of perceived ideological dissonance. Because of the absence of strong extragovernmental pressure for change, no new policy has emerged lately. Congress was stimulated in the early 1970s by a general climate of unease about U.S. domestic prosperity and national autonomy in the face of OPEC's actions, dollar devaluation, and noisy foreign attempts at corporate takeover. Hearings established that there had been a lack of executive attention to incoming foreign investment; no one knew how much FDI there was in the United States, and in what areas. When congressional pressure, in the form of the Foreign Investment Study Act of 1974, secured data from the Commerce Department in 1976 that allayed concerns about a threat to the criteria, Congress contented itself with an improved watchdog regime.[25] Congress returned to a critical review of IFDI policy and practices at the end of the seventies (House Committee on Government Operations), clearly stimulated by the continued fragmentation of responsibility, and the lethargy of the Departments of the Treasury and Commerce in discharging their monitoring responsibilities. Although legislation was proposed for an agency to screen IFDI, it has yet to be adopted. Even this most recent vigorous congressional call for a supervisory agency is stated in terms of advancement of the policy values we have emphasized. Presumably, it will *not* disrupt the anti-Soviet alignment, close the international economy, impede orderly dealing, or significantly reduce IFDI, because it will merely reciprocate surveillance in general use by other governments. Screening must be improved—not because incoming foreign investment is often bad, but because it is not always good.[26]

Congressional pressure was greatest when it was fueled by distrust of the commitment, by the currently responsible part of the executive branch, to vigilant pursuit of the criteria of national security or autonomy. Thus, Congress first strengthened the role of the Departments of Commerce and the Treasury (1973–1974). When these departments began to be seen as reluctant guardians of our policy values, Congress

[25] The Executive was given power to subpoena foreign corporate records in the United States; new disclosure and reporting requirements were implemented by the S.E.C.; the Department of Defense developed a tighter set of regulations to prevent foreign control of firms engaged in classified work; the Department of Agriculture was charged with monitoring foreign investment in farmlands; and the Department of Energy was asked to keep track of activities of foreign-owned energy firms.

[26] U.S., Congress, House, Committee on Government Operations, *The Adequacy of the Federal Response to Foreign Investment in the United States*, 96th Cong., 2d sess., 1980, H. Rept. 96-1216.

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persuaded the White House to give the Trade Representative a leading role (1979). The context of congressional critiques and their preference for executive-branch responsibility in recent IFDI history resembles earlier U.S. experience with trade policy.

Two highly organized outside groups expressed views on the issue, but neither was influential with the Congress. The major multinational corporations represented by the Chamber of Commerce emphasized the costs of foreign retaliation which might be generated by restrictions and central government regulations. Organized labor (the AFL-CIO) went on record in 1975 as being opposed to "the unregulated takeover of U.S. firms by foreign interests."[27] However, labor's goal was limited and tactical: with a Republican administration and the unions' weak political power in many of the most receptive host states, the AFL-CIO desired congressional involvement in, rather than discouragement of, incoming foreign investment.

Reaction to incoming investment by OPEC members is neatly explicable within our framework. No foreign investors were regarded with greater suspicion during the 1970s than the OPEC countries. Upon investigation, it was found that controlling investments were largely in urban real estate (and very modest at that). The "unproductive" nature of the investment might have amplified popular fears, but its diffused impact failed to generate serious political initiatives. This nondevelopment fits the expectations of our process factors. Urban real estate investment typically is compact in size and has no fixed use—so domestic real estate buyers, in general, face a (trivially) increased price. Moreover, urban real estate is an asset whose ownership is usually unknown even to those who pass it every day.

The powers of the states pervasively complicate the analysis of the federal posture toward IFDI. Nearly all of the laws pertaining to the ownership or transfer of land, and most of the laws concerning the incorporation and operation of commercial enterprise, are state laws. Their effectiveness as controls on inflows of foreign capital is dubious if foreigners really want to conduct business.[28] In any event, in the 1970s many states and localities actively continued to recruit foreign firms in pursuit of financial benefits.

The picture concerning agricultural land is more complex. Historically, fears based on massive British real estate investment in several

[27] Pastor (fn. 10), 242.

[28] David M. Phillips, "Legal Restraints on Foreign Direct Investment in the United States," U.S. Department of Commerce, *Foreign Direct Investment in the United States*, 1975, Appendix K.

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states after the Civil War, and the accumulation of real property by resident Japanese a generation or two later, had led to severe restrictions in some states. Some restrictions have been reduced by the courts, but in the early 1970s a large number of states either had general prohibitions on foreign ownership of land or other significant limitations.[29] Actual and potential foreign buyers are, of course, the economic rivals of domestic would-be buyers, but domestic buyers of farmland are not an organized political force. The apparent opposition of many landowners to foreign investment is less easily reconciled with our approach. One might invoke Kindleberger's idea that there is a little peasant in everyone,[30] even in those who stand to gain financially from an unfettered market; but the real answer is probably simpler. The price of populist prejudice, even for landowners, is in most instances uncalculated but minor. In no state did foreign ownership of agricultural land exceed 2.0 percent of the total by 1979.

THE OFDI EXPERIENCE

Because of the greater complexity of OFDI policy, we will treat outflow, retaliation, and control as separate elements.

Outflow. For most U.S. elites, the open international economy that took on quasi-criterion status at the end of World War II implied openness toward outgoing foreign investment.[31] However, technical economic considerations make the outflow of corporate capital problematic for the parent country. Between the two World Wars, tax credit and tax deferral became permanent parts of American OFDI policy. The tax credit allows corporate taxes paid to foreign governments to be counted against U.S. corporate tax liabilities. The tax deferral allows any remaining tax liability to be postponed until the foreign subsidiary remits its earning to the parent; it is essentially an interest-free loan from the U.S. government to the overseas investor. The tax credit is truly fundamental, since taxing corporate income twice would sharply reduce the attractiveness of overseas activity. With rather

[29] Six states had general prohibitions on the ownership of land by aliens (although five had exemptions for resident aliens or those intending to become citizens). Several other states did not permit aliens to own agricultural land, or restricted the size of foreign-owned real estate holdings. While in some states such discrimination could be overcome through corporate investment, in others there also were prohibitions on the corporate ownership of land. Morrison (fn. 24), M-17, 18.

[30] Charles P. Kindleberger, *American Business Abroad: Six Lectures on Direct Investment* (New Haven: Yale University Press, 1969), 113.

[31] See C. Fred Bergsten, Thomas Horst, and Theodore H. Moran, *American Multinationals and American Interests* (Washington, D.C.: Brookings Institution, 1978), 22-23.

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similar corporate tax rates around the world, the tax credit scheme—employed by virtually all major "host" countries—tends to produce neutrality in the international allocation of capital, except that those who are predominantly host countries sacrifice tax revenues, thereby raising the possibility of a net loss for the state as a whole.[32] The estimated losses are extremely small, however, particularly in view of the role of OFDI in promoting U.S. sales abroad. Overall, we conclude that, in the context of postwar tax policy, the United States would not pursue a favorable policy toward OFDI principally to promote domestic prosperity.[33]

The direct impact of OFDI on domestic prosperity may be uncertain, but the positive impact of a neutral or favorable policy on our other criteria and quasi-criteria seems quite clear. Allowing U.S. capital to flow abroad—when other countries want it—will contribute to an open world economy and to orderly dealing. It can also be expected to be a powerful ingredient of alliance bonding, and hence it should advance national security. Even autonomy can be enhanced when foreign raw materials are exploited before domestic ones, and if access is assured.[34]

The general ideological consonance of neutral, or perhaps even positively supportive, OFDI policy should have remained high over the postwar period. What of the other policy determinants? The impact transparency of outgoing foreign investment is usually not very great. However, visible direct substitution of foreign operations for domestic ones, with a consequent loss of employment, is likely to stimulate opposition. Furthermore, there is a certain logic to the argument that the outflow of foreign investment gives the U.S. worker fewer tools, and hence lowers his productivity. Even though in the real world, results may be greatly at variance with this perception, the issue can be a politically sensitive one. By comparison, marketing advantages to the U.S. offered by OFDI are likely to seem speculative.

The diffusion and concentration of perceived costs and benefits of OFDI separates business from labor in a way that even trade does not. Virtually no element of business will perceive itself as being harmed by outgoing foreign investment; companies with existing or anticipated

[32] Peggy B. Musgrave, *Direct Investment Abroad and the Multinationals: Effects on the United States Economy*, prepared for the use of the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, U.S. Senate (1975).

[33] Bergsten and others (fn. 31), 23-24.

[34] The most notable positive policy toward this end was the longstanding practice, since reduced, of allowing tax credits for what are essentially excise (not profits) taxes paid by the oil companies to the oil-producing countries (*ibid.*, 67-68).

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foreign operations will view supportive—i.e., basic post-World War II —tax policies favorably. Virtually all existing business groups will tend to approve of neutral or favorable treatment of OFDI. Initially, only a small part of the labor force will see a dramatic and immediate threat to its interests, but the idea of capital loss just noted and the more tangible fear that "I might be next" could generate widespread apprehension about outgoing foreign investment. Finally, there will be substantial extant political capacity in affected unions—clearly the natural vehicles of opposition. For those who oppose OFDI, the acme of success would be the "capture" of the official voice of organized labor (despite the fact that many in the latter group directly or indirectly benefit from a liberal regime).[35]

From the beginning of the cold war until the early 1960s, outgoing foreign investment seemed to pose little danger to America's overwhelming domestic prosperity and advantageous international economic position. National autonomy was not a problem; national security seemed to require reinvigoration of the industrialized economies of Western Europe and Japan. Unsurprisingly, insurance for OFDI against expropriation, war, and currency inconvertibility was part of the Marshall Plan. No major groups were subject to concentrated costs in any visible way.

We would expect OFDI to become controversial when issues of domestic prosperity emerged, when the industrialized hosts of U.S. foreign investment became increasingly competitive with the United States, and their bonding to U.S. policy toward communist-governed states seemed to diminish. These developments were manifest by the late 1960s. In the early 1970s, the Burke-Hartke Bill called, *inter alia*, for the demise of both tax deferral and credit. However, Burke-Hartke has not come close to passing, then or since. The Carter Administration's pledge to remove deferral, a position the Senate supported in 1977, was seen by most supporters simply as the introduction of greater neutrality into the tax system.

Does our approach illuminate why Burke-Hartke failed to pass and serious tax initiatives moved only toward neutrality? On the issue of jobs, the evidence was very weak that the raw number has been reduced by foreign activity. On the issue of the functional distribution of income between profits and wages, the period of maximum outflow of

[35] For a comprehensive discussion of congressional treatment of foreign investment that pays particular attention to labor's point of view, see Kent Higgon Hughes, *Taxes, Trade, and Transnationals: International Decision Making in the Congress* (New York: Praeger, 1979).

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U.S. investment was accompanied by a slight increase in before-tax equality, contrary to the advocates of OFDI curtailment. It was difficult for any large group to believe strongly that it had been seriously damaged by foreign investment *per se*. Import competition became intense, but it can plausibly be argued that the surge of imports would have developed to virtually the same extent without foreign investment. The AFL-CIO became protectionist in the early 1970s, and provided a political capability for the opponents of OFDI; but, as predicted, this opposition was and is the only major one, and has been quite ineffective.

These considerations created a political balance at the point of neutrality, but not restraint. Congress contented itself with signals to the executive branch that, in order to avoid restraint, steps must be taken to reduce concentrated unemployment costs, and thus to re-establish greater ideological consonance. There has been a trend to remove the responsibility for policy from the Department of State to parts of the executive branch that are more domestically oriented, and to increase the role of the Congress—mainly at the behest of Congress itself.

Special incentives for foreign investment in less developed countries should have varied with perceptions of what was conducive to a noncommunist developing world, national security, and national autonomy.[36] Support for a major private-sector role in development, which burgeoned at least as early as the late 1950s, led to quite comprehensive insurance on favorable terms against noncommercial risks and expropriation by the Agency for International Development (after 1961), and by the Overseas Private Investment Corporation (OPIC, established in 1969).[37] The contribution of American foreign investment to the emergence of desirable political systems went out of fashion in the mid-1970s, and Congress, arguing in terms of our criteria and quasi-criteria, moved to phase out OPIC. The legislators maintained that American investments, by providing hostages and points of leverage, reduced U.S. autonomy. By providing a focus of antagonism, they could play into the hands of pro-communist groups. Moreover, the increasing skills of LDC elites made foreign investment in raw materials ever more vulnerable not only to the "obsolescing bargain," whereby contracts are continually renegotiated under company

[36] Our criteria and quasi-criteria do not include development *per se* because the U.S. has not accepted the prosperity of others as a major responsibility except under special national security circumstances such as in postwar Europe (Bobrow, Kudrle, and Stoker, fn. 17).

[37] Mira Wilkins, *The Maturing of Multinational Enterprise* (Cambridge: Harvard University Press, 1974), 332-33.

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duress, but also to country cartels such as OPEC. These factors have diminished reliable supplies of raw materials on favorable terms, thus jeopardizing U.S. autonomy, security, and prosperity. Finally, false arguments were advanced that, by encouraging the manufacture of cheap goods that compete with domestic production, investment in the Third World would harm U.S. domestic prosperity.[38]

Ideological dissonance temporarily dominated, and phase-out legislation was passed in 1974. In 1977-1978, Congress modified its position in ways that were to be expected, given the continued existence of strongly supportive interests with concentrated benefits at stake. It reestablished insurance with conditions that contributed to ideological consonance and the reduction of concentrated costs. Recognizing that favorable political systems were unlikely to emerge without capital inflow, the 1978 legislation focused on the poorest countries and called for monitoring their development. Clashes with domestic economic interests were damped by restrictions on support for export-competing ventures and all ventures likely to increase unemployment in the United States. And in spite of official rhetoric, national security considerations were allowed to override concerns for human rights.[39]

We might expect that outgoing foreign direct investment to potentially hostile communist-governed countries would raise the most difficult issues of conflict among our criteria and quasi-criteria. The emphasis on ideological consonance suggests a particularly volatile policy. Since the potential host governments became open to American investments in the late 1960s, the crucial issue has been the influence of OFDI on those societies, or at least on their international behavior. Would the impact contribute enough to U.S. national security to outweigh the historic quasi-criterion of isolation, and denial of economic benefits to hostile states?[40] A secondary issue was the pursuit of domestic prosperity when alternative sources of foreign investment were available to the communist states, and security costs and gains were therefore rendered moot. Thus the balance had to be struck between

[38] Theodore H. Moran, "Multinational Corporations and Dependency," *International Organization*, XXXII (Winter 1978), 79-100.

[39] *Congressional Quarterly Almanac* (1974, 519-625; 1977, 390-92; 1978, 267-83).

[40] The evolutionary impact of OFDI on nations pursuing policies repugnant on other grounds (e.g., apartheid in the Republic of South Africa) raises similar questions, but in much murkier form. Racist policies may undermine long-run U.S. security and autonomy interests in Southern Africa, but they do not pose an immediate perceived threat to our criteria and quasi-criteria that is comparable to the Soviet Union and the Warsaw Pact. These less direct and immediate security costs are not competitive with our criterion of domestic prosperity. As we would expect, U.S. policy on outflow has not involved controls that are as stringent for South Africa as they are for the Soviet Union; nor is it likely to do so in the foreseeable future.

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domestic prosperity and national security. Because of the nontransparent impact of OFDI on the evolution of communist societies, national security consequences were focused on their current policies. When these seemed to fit with prevailing conceptions of U.S. national security (e.g., opposition to Soviet preferences or the absence of overt Soviet intervention), foreign investment incentives received general support. When the hosts' policies seemed to run counter to American national security, U.S. policy and politics moved toward restrictions. The persistent opponents to foreign investment were those convinced of the inevitable hostility of the host governments in question.

Retaliation. How would the United States retaliate against noncompensated seizure and barriers to investment access by foreign governments? We might expect sanctions in response to noncompensated seizure when the seizures (1) seriously seem to threaten our criteria and quasi-criteria; (2) have a concentrated and costly impact on organized American political groups; and when (3) there is little prospect of costly reactions by the host country.

Since World War II, the United States has seemed to move toward sanctions with three major actions: the Hickenlooper Amendment to the Foreign Assistance Act of 1962, the Nixon policy statement of 1972, and the Gonzalez Amendment of 1973. The first two, which were reactions to the Cuban experience, forbade bilateral assistance to nations that seized the property of U.S. firms without regard for due process or appropriate compensation. The Gonzalez Amendment extended those sanctions to multilateral financial institutions. A feature all three had in common was "escape hatch" language that enabled the executive branch to avoid the actual imposition of sanctions. In other words, all three are better understood as bargaining chips than as binding policy. None was implemented except in token ways. Quasi-covert, selective manipulation of the offending political economy has been more prevalent.[41] The exact form of retaliation, if any, was left to the judgment of specialists in the executive branch who decided on the strategies and tactics that would advance our criteria and quasi-criteria. Blatant pressure through formal sanctions could well be counterproductive by motivating—and enabling—the offending political leaders to embrace policies counter to these desiderata, e.g., economic involvement with the Soviet Union or Cuba.

[41] Richard Stuart Olson, "Expropriation and Economic Coercion in World Politics," *Journal of Developing Areas*, XXXI (April 1979), 247-62, and his "Economic Coercion in World Politics," *World Politics*, XXXI (July 1979), 471-94; Einhorn (fn. 6); Adalbert J. Pinelo, *The Multinational Corporation as a Force in Latin-American Politics* (New York: Praeger, 1973).

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Eventually, attempts by interest groups to impose sanctions declined. Host governments developed sophisticated strategies aimed at splitting the interests of U.S. investors, and more mobile manufacturing and service industries grew in relation to raw-material ventures. That is, while the costs of noncompensation were concentrated on one group of investors, others were able to anticipate potential costs if sanctions were invoked.[42] At the same time, investing firms increasingly moved to reduce the costs of seizure through risk-spreading strategies involving non-American institutions.[43]

Our approach yields no particular expectations about American reactions to barriers to outgoing foreign investment; we surmise that the probable diffusion and speculative nature of costs and benefits to private U.S. interests would allow the Executive considerable latitude. In practice, considerations such as avoiding international economic conflict, maintaining relationships with anti-Soviet regimes, and sustaining domestic prosperity have often taken precedence over a single-minded pursuit of maximum international openness. Japan, for example, kept its economy virtually closed to foreign investment until the seventies;[44] even today, it is scarcely a generous host. But Japan has taken significant steps to reduce barriers to imports from the United States and to restrain the pace of export expansion to the U.S.

Control. Suppose we knew only that the control policies of the U.S. government have historically involved simply U.S. law and policy as applied abroad in antitrust situations, branch and subsidiary financing, and subsidiaries trading with hostile governments. What might our approach suggest about policy content? Usually only small parts of U.S. society are affected at any given time by antitrust and subsidiary trading with hostile governments; consequently, the executive branch can exercise much discretion. In antitrust situations, we would expect executive action against behavior that reduces competition in the U.S. market, thus adversely affecting domestic prosperity. The Sherman Act explicitly includes overseas activities that affect the American market, and has been so applied. However, if international economic conflict is to be avoided, it is necessary to place the emphasis on bringing other states to harmonize their antitrust approach with that of the

[42] Pinelo, *ibid*; Einhorn (fn. 6).

[43] Theodore H. Moran, "Transnational Strategies of Protection and Defense by Multinational Corporations," *International Organization*, XXVII (Spring 1973), 273-87; Ann Seidman, ed., *Natural Resources and National Welfare* (New York: Praeger, 1975).

[44] M. Y. Yoshino, "Japan as Host to the International Corporation," in Charles P. Kindleberger, ed., *The International Corporation* (Cambridge: M.I.T. Press, 1970), 345-69.

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U.S.[45] That is exactly what we have observed. Treatment of subsidiary trading with hostile countries confirms expectations by oscillating for largely the same reasons as policy on the outflow of foreign investments to these countries. However, its application has been understandably moderated by a desire to avoid intense friction with major economic partners and allies.

In contrast, attempts by the executive branch to assist with balance-of-payments problems through financing restrictions on virtually all U.S. firms overseas are likely to generate serious resistance on the part of powerful organized business groups because of the large stakes involved. Such attempts to control subsidiary financing in the late sixties and early seventies did generate a barrage of organized criticism from business; when flexible exchange rates were introduced, the issue evaporated.

V. Looking Ahead

Although we are encouraged by the capacity of our approach to deal with the policies of the past several decades, the question remains whether circumstances have changed, or will change, sufficiently to lessen its applicability to future U.S. foreign investment policy. One current view is that the liberal era of free capital movement is coming to a close; encouragement of, or even neutrality toward OFDI is simply a fragile policy remnant from a world that is gone. Others contend that the United States will curtail incoming foreign investment sharply in reaction to massive foreign buy-outs of major economic institutions and assets. We are wary of what Pastor has called the "cry and sigh" cycle that begins with cries of a fearsome wave of national economic chauvinism and ends with a sigh of relief at escaping from it.[46] The forecast most likely to be correct with respect to external and internal factors that affect the policy application of our criteria and quasi-criteria is that no major changes will be made in the American posture toward foreign investment, but that there will be somewhat harder political bargaining in order to have other nations reciprocate this neutrality.

External and Systemic Factors

Concerning external factors, the neo-Spenglerian forecasts of U.S. decline and abandonment by its allies falsely extrapolate into the future some changes that took place in the 1960s. In our view, these major upheavals in the relationship between the United States and the rest of

[45] Bergsten and others (fn. 31), chap. 7. [46] Pastor (fn. 10), chap. 6.

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the world have already occurred, and their most dramatic effects have become visible. In terms of our criteria and quasi-criteria, we fail to see how further frictions and strains will soon impel the U.S. toward fundamentally different policies than now prevail.

For many governments, a military deterrent to Soviet and Soviet-proxy intervention and coercive bargaining will regain some of its former importance, while the economic bill for such a deterrent will increase further in real terms. The United States will be seen as the fundamental provider of that deterrent. Accordingly, the costs associated with offending the U.S. through political and economic actions will seem to rise rather than to fall.

The relative economic decline of the U.S. has lost, or is about to lose, its momentum and may well be reversed by the mid-eighties. The massive shifts in shares of world trade and capital as an inevitable consequence of post-World War II reconstruction may largely have run their course. The floating of the dollar, combined with the maturing of German and Japanese industry and the size of the U.S. internal market, work together to provide incentives for foreign investment in the United States, resulting in strength in the American share of world production in leading sectors. The dependence of the newly industrialized countries (NICs) on markets for export manufactures gives them a vested interest in access to, and the economic vigor of, the biggest of affluent markets—the U.S. The increase of bargaining power by the less developed host countries has already had its most dramatic effects. All these factors should reinforce the ideological consonance between present policies and our criteria and quasi-criteria.

Energy developments may well magnify these tendencies. The energy endowment, technology base, and currently extravagant energy consumption of the United States all give it an advantage over other major OECD states and the newly industrialized countries in adapting to a period of expensive liquid fuel imports. The energy-dependent NICs are especially in need of export markets; at the same time, the price of oil inhibits the growth of potential markets in the energy-importing LDCs. Finally, U.S. military power looms as the ultimate deterrent to Soviet influence over the oil-exporting countries or severe supply restrictions.

These factors will dispose others to avoid actions that would lessen the American commitment to the quasi-criterion of an open international economy and thereby exacerbate international economic conflict. Undeniably, other developments hold the potential for increased friction. Among the industrialized countries, the combination of low growth

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rates, pressures for investment at home, and loss of jobs in weak and surplus-capacity industries will make themselves felt.[47] Existing formal and informal coordinating arrangements in Western Europe and Japan will face greater strains than in the recent past. Political leaders will be tempted to patch together supporting coalitions at home through a variety of measures—protection against imports, safeguarding optimal domestic opportunities for indigenous capital, as well as safeguarding domestic capital for indigenous users. Another potential source of friction lies in U.S. policy pertaining to its foreign subsidiaries that differs from the host governments' policy on trade with the Soviet Union and its allies. Overall, though, the incentives on all sides of the OECD to maintain positive relations are likely to prevail, albeit after hard bargaining, political posturing, and in the form of complex and mixed agreements.[48]

The growth objectives of the newly industrialized countries call for the continuation of their hospitality to U.S. foreign investment. Although they will increasingly press local branches of MNCs to export, such exports to third-party markets can hurt American prosperity only if the United States would otherwise compete successfully in these markets. Exports to the U.S. of products priced lower than those made in America will hurt domestic prosperity only if later exploitation of market power led to higher prices than would otherwise prevail. As for the poorest countries, we expect cycles of attempts to attract investment, followed by politically motivated steps to control and seize it. But these countries account for only a small part of U.S. investment.

Except for economic relations with the Soviet Union and Eastern Europe, we see little likelihood of external changes that would make current U.S. foreign investment policy dissonant with previous standards. Changes would therefore have to follow from our other three considerations of policy process—clarity of impacts, concentration of costs and benefits, and organized political capacity.

[47] Susan Strange, "The Management of Surplus Capacity," *International Organization*, XXXIII (Summer 1979), 303-34.

[48] The prospect of "investment wars" among OECD countries, triggered by U.S. demands for incoming foreign investment (e.g., by the U.A.W. for Japanese auto plants in the U.S.), needs to be kept in perspective. The size of the auto industry makes it a special case. In addition, Japanese automobile manufacturers have economic incentives for IFDI in the U.S. as their manufacturing costs are rapidly climbing to U.S. levels. We tend to agree with the expectations of Krasner rather than with those of Bergsten. See Stephen D. Krasner, "The Tokyo Round: Particularistic Interests and Prospects for Stability in the Global Trading System," *International Studies Quarterly*, XXIII (December 1979), 491-531, and C. Fred Bergsten, "Coming Investment Wars?," *Foreign Affairs*, Vol. 53 (October 1974), 135-52.

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INTERNAL FACTORS AND IFDI

Massive new restrictions on IFDI seem unlikely. The visible consequences of industrial incoming foreign investment will continue to be attractive. It appears particularly welcome at a time of capital shortage, and possible negative consequences of enhancing the strength of foreign firms appear problematic and remote. Competitors of the incoming firms are likely to continue to be the potential opponents of IFDI. Of course, this could change if there is massive foreign investment (on the order of 25 percent or more) in major visible sectors of the economy. The perceived conflicts with national autonomy and security would mobilize additional hostile groups, and stimulate ideological anxiety and opposition. We see little prospect of that—if for no other reason than that foreign governments are unlikely to allow such a massive capital loss from their home markets. In any case, there would be sufficient warning to deter a massive influx, perhaps through some sort of federal screening authority.

Non-agricultural real estate, currently an active area of OPEC investment in the United States, will remain innocuous because of its diffusion and anonymity. From the perspective of national autonomy and national security, it seems largely irrelevant.

As for agricultural land, as foreign demand increases the split between those who react negatively to the foreign presence and those who benefit from it may become more apparent. In any event, there is a question whether individual states ultimately have the legal authority to regulate foreign investment in land or in other areas.[49] Test cases are almost certain to occur over the coming years.

We do expect continued congressional pressure for demonstrated stewardship by the executive branch over the policy values in our approach; there may well be threats to impose a more restrictive regime if incoming foreign investment is not treated in a more systematic and alert manner.

INTERNAL FACTORS AND OFDI

The distribution of the costs and benefits of outgoing foreign direct investment will remain much the same. Those most negatively affected will be workers in industries where the United States is losing its comparative advantage and where the loss of employment is virtually inevitable, regardless of OFDI, unless major barriers are imposed on im-

[49] Detlev Vagts, "The Corporate Alien," *Harvard Law Review*, Vol. 74 (June 1961), 1489-1551.

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ports. The impact on unionized workers will continue, and perhaps even increase. But the power of the AFL-CIO, the major politically organized anti-OFDI group, will, if anything, decline: its share and representativeness of the labor force are decreasing, its influence in the Democratic Party is no longer automatic, and its influence in the Republican Party is practically nil.

How can the use of large shares of new capital formation abroad be justified when American investment at home is low? A politically acceptable answer may be twofold. First, overseas facilities provide a necessary marketing arm for U.S. business while increasing the availability of low-cost imports. Second, an attempt to cut off the outflow could generate retaliation of unknown severity. Furthermore, as the defenders of OFDI never fail to point out, capital outflow is highly industry-specific, and the industries that invest abroad generally are not the ones that are experiencing a low growth of productivity at home. In other words, if the capital does not flow out, the costs are palpable while the benefits are speculative. Arguments to the contrary are familiar and, by 1981 at least, had little support in Congress or the executive branch. The growing quantitative comparability of OFDI and IFDI will appear to even out the balance of advantage from liberal capital movements. The benefits reaped from incoming investment and export earnings will weigh against harsh steps that could lead to retaliation. Furthermore, the determined support of the multinational corporations for the present OFDI regime and widespread interest by retailers and consumers in inexpensive imports from American foreign subsidiaries is unlikely to diminish; nor is the organized political capacity of these groups. All of these factors work against OFDI appearing substantially more dissonant ideologically or becoming more controversial politically. In one key sector, however, steps to halt the flow of OFDI may gain considerable support: it has been argued that equity investment in raw-materials exploitation has resulted both in exorbitant prices and the ultimate risk of the capital stock.[50] The tax credit for this kind of investment might well be phased out on the basis of all three of our criteria—especially if the phase-out is packaged with policies that promise to extend raw-materials exploration by other means (i.e., through various debt schemes).

A final and relatively new issue has to do with the United States acting more consciously as a monopolist in the overseas sale of its inventions and innovations. To what extent should the U.S. patent sys-

[50] Bergsten and others (fn. 31), 466.

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tem and antitrust laws allow for maximum national advantage?[51] Some have proposed that firms be allowed to cooperate more fully in R & D without fear of antitrust prosecution, and that small firms be allowed greater collaboration in overseas sales. There are proposals to delay—perhaps for several years—the commercialization of some American patents outside the United States. The last argument would receive a powerful boost if we were to disagree with our allies about trade and investment with states in the Soviet orbit. The patent restriction may be a particularly attractive policy innovation because—while it may not actually serve the national interest—it has the advantage of being uniquely appropriate to American technical superiority, and retaliation against it may be difficult to devise. Of course, if the restrictions were too comprehensive, they would be likely to stimulate reactions inimical to broader U.S. concerns. The policy would clearly have to be highly selective, and might well prove to be unworkable.

In sum, our forecast for the future is relatively undramatic. We expect the criteria and quasi-criteria that underlie previous American foreign investment policy to retain their centrality. And we do not see prospects for massive external changes or substantial revisions in the configuration of internal political forces that sustain current policy.

[51] See the discussion in *Business Week*, No. 2643 (June 30, 1980).

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Research Note

CRISES IN WORLD POLITICS

By MICHAEL BRECHER and JONATHAN WILKENFELD*

Introduction

FOUR decades have passed since the publication of Quincy Wright's seminal volume, *A Study of War*;[1] a comparable work on the related phenomenon of international crisis has not yet appeared. There are, to be sure, studies of high quality: the Stanford Group's analysis of the crucial link between perceptions and decisions in the 1914 Crisis;[2] Paige's "guided reconstruction" of America's response to the outbreak of the Korean War in 1950;[3] Allison's use of three paradigms—rational actor, bureaucratic politics, and organizational process—to explore U.S behavior in the Cuban Missile Crisis;[4] George and Smoke's "focused comparison" of deterrence in 11 crises for the United States, from the Berlin Blockade in 1948 to the Missile Crisis in 1962;[5] Snyder and Diesing's dissection of the bargaining process in 16 international crises, from the Anglo-French dispute over Fashoda in 1898 to the Middle East conflagration in 1973;[6] and McClelland's examination of

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[1] (Chicago: University of Chicago Press, 1942).

[2] The first of many publications—by Robert North, Ole Holsti, Richard Brody, Dina Zinnes and others—appeared in 1961: Dina A. Zinnes, Robert C. North, and Howard E. Koch, Jr., "Capability, Threat and the Outbreak of War," in James N. Rosenau, ed., *International Politics and Foreign Policy* (New York: Free Press, 1961), 469-82. The principal quantitative findings were incorporated in Ole R. Holsti, *Crisis Escalation War* (Montreal: McGill-Queens University Press, 1972). A companion volume presented a detailed narrative of events: Eugenia V. Nomikos and Robert C. North, *International Crisis: The Outbreak of World War I* (Montreal: McGill-Queens University Press, 1976).

[3] Glenn D. Paige, *The Korean Decision* (New York: Free Press, 1968).

[4] Graham T. Allison, *The Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971).

[5] Alexander L. George and Richard Smoke, *Deterrence and Defense in American Foreign Policy: Theory and Practice* (New York: Columbia University Press, 1974).

[6] Glenn H. Snyder and Paul Diesing, *Conflict Among Nations: Bargaining, Decision*

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quantitative data pertaining to actions and responses by the contending parties in two "conflict arenas"—Berlin from 1948 to 1963, and the Taiwan Straits from 1950 to 1964.[7] At a more general level, Hermann's edited volume presented the collective wisdom of behavioral research into crisis in the late 1960s.[8]

Together, these pioneering studies illuminated some aspects of a small number of international crises: the images and behavior of major powers in one grave global crisis; decision making by one superpower in several high-profile crises; one type of crisis management (namely, the practice of deterrence) by the same superpower; one dimension of crisis behavior (bargaining between adversaries) in a nonrepresentative sample of cases; a demonstration of the merits of macro quantitative research into two prolonged conflicts, including a sequence of crises; and, in the volume edited by Hermann, evidence of the embryonic but promising state of the art.

At the beginning of the 1980s, we still have little systematic knowledge about crisis perceptions and the decision-making style of the other superpower; the myriad of 20th-century crises in regions other than Europe (with few exceptions);[9] crises experienced by less powerful international actors; the role of alliance partners in a crisis; resort to international organizations, negotiations, and violence in crisis management; the immediate triggers of crises; crisis outcomes; and the consequences of crises for the power, status, behavior, and subsequent perceptions of participant states. Nor is there a widely shared theory of crisis.[10]

Making, and System Structure in International Crises (Princeton: Princeton University Press, 1977).

[7] Charles A. McClelland, "Action Structures and Communication in Two International Crises: Quemoy and Berlin," *Background*, VII (1964), 201-15; and "The Beginning, Duration, and Abatement of International Crises: Comparisons in Two Conflict Arenas," in Charles F. Hermann, ed., *International Crises: Insights from Behavioral Research* (New York: Free Press, 1972), 83-105.

[8] *Ibid.* This volume contains papers prepared following a symposium in April 1967, sponsored by the Center of International Studies at Princeton University. Authors include Hermann, Holsti, McClelland, Paige, and Snyder, noted above, as well as James A. Robinson (whose 1962 definition of crisis was the precursor of Hermann's revision), Howard H. Lentner, Thomas W. Milburn, David C. Schwartz, and Dina A. Zinnes, Joseph L. Zinnes and Robert D. McClure.

[9] See, for example, Allen S. Whiting, *China Crosses the Yalu* (New York: Macmillan, 1960) and J. J. Stremlau, *The International Politics of the Nigerian Civil War, 1967-1970* (Princeton: Princeton University Press, 1977).

[10] For insightful surveys of the theoretically oriented literature, see Ole R. Holsti, "Theories of Crisis Decision-Making," in Paul G. Lauren, ed., *Diplomacy: New Approaches in History, Theory and Policy* (New York: Free Press, 1979), chap. 5; and Raymond Tanter, "International Crisis Behavior: An Appraisal of the Literature," in Brecher, ed., *Studies in Crisis Behavior* (New Brunswick, N.J.: Transaction Books, 1979), 340-74.

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It was a growing awareness of these lacunae that led to the launching of the International Crisis Behavior (ICB) Project in 1975. Underlying the Project are three assumptions: first, that the destabilizing effects of crises, like wars, are dangerous to global security; second, that understanding the causes, evolution, actor behavior, outcomes, and consequences of crises is possible by systematic investigation; and third, that knowledge can facilitate the avoidance of crises or their effective management so as to minimize the adverse effects on world order. Thus the aim, in the largest sense, is to shed light on a pervasive phenomenon of 20th-century world politics.

There are three specific objectives: the discovery and dissemination of knowledge about international crises between 1930 and 1980; the generation and testing of hypotheses about the effects of crisis-induced stress on coping and choice by decision makers; and the search for recurrent crisis patterns. To attain these ends, we are engaged in a large-scale inquiry. Its scope is global and long term—all military-security crises of all international actors over a 50-year period and across all continents, cultures, and political and economic systems in the contemporary era. Its methods are both qualitative and quantitative—studies in depth of perceptions and decisions in a single case,[11] and analyses of aggregate data on 75 variables for a total population of approximately 600 cases.

The first task was to construct a definition aspiring to universality in time and space. Our point of departure was Hermann's widely accepted view of crisis as "a situation that (1) threatens high-priority goals of the decision-making unit, (2) restricts the amount of time available for response before the decision is transformed, and (3) surprises the members of the decision-making unit by its occurrence."[12] Extensive discussions with area experts[13] in 1975–1976 led to a compelling case for revision. In the ICB Project, a crisis was therefore defined as a breakpoint along the peace/war continuum of a state's rela-

[11] The first ICB study in depth is Michael Brecher with Benjamin Geist, *Decisions in Crisis: Israel, 1967 and 1973* (Berkeley: University of California Press, 1980).

[12] Charles F. Hermann, "International Crisis as a Situational Variable," in James N. Rosenau, ed., *International Politics and Foreign Policy*, rev. ed. (New York: Free Press, 1969), 414. Hermann's definition was first set out in his "Some Consequences of Crisis which Limit the Viability of Organizations," *Administrative Science Quarterly*, VIII (1963), 61-82.

[13] The experts were specialists at the Hebrew University of Jerusalem and Tel Aviv University: Benjamin Geist (Central Europe); Ehud Harari (East Asia); Ellis Joffe (China); Amnon Sella (Soviet Union); Yoram Shapira (Latin America); Saadia Touval (Africa); Yaacov Vertzberger (Southeast Asia). Several Middle East area specialists in Jerusalem were consulted informally.

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tions with any other international actor. An international crisis is a situation deriving from change in a state's internal or external environment which gives rise to decision makers' perceptions of *threat to basic values, finite time for response*, and the *likelihood of involvement in military hostilities.*

This definition incorporates five specific changes: the deletion of surprise, in light of the discovery that many threat-time situations were not unanticipated (e.g., Portugal's crisis with India over Goa in 1955, and the 1961 Berlin Wall Crisis for the United States); the addition of "perceived probability of war," or, more precisely, perceived likelihood of military hostilities, without which crisis-induced stress leading to effects on coping and choice is absent or marginal;[14] the replacement of short time by finite time, since many crises last months or longer (e.g., the Taiwan Straits Crisis of 1954–1955 for the People's Republic of China, the United States, and the Republic of China; the Middle East Crisis of 1973 for Egypt, Israel, Syria, the U.S., and the U.S.S.R.); the inclusion of internal environmental changes as potential triggers to crisis (e.g., Black September for Jordan in 1970); and the shift from high-priority goals to basic values as the object of threat.[15]

In looking for an appropriate block of time for the analysis of crises, we initially selected 1938 to 1975. Three considerations shaped this choice. First, it would maximize the bases for comparison: crises in multipower, bipolar, and polycentric international systems with diverse global and regional organizations. Second, by incorporating the hundred new actors emerging at the end of the European imperial era, we would achieve the greatest variation in age of states, size of territory and population, regime type and duration, belief system, level of eco-

[14] This condition of crisis is also emphasized by Snyder and Diesing (fn. 6, pp. 6-7):

> The centerpiece of (the) definition is "the perception of a dangerously high probability of war" by the governments involved. Just how high the perceived probability must be to qualify as a crisis is impossible to specify. . . . The perceived probability must at least be high enough to evoke feelings of fear and tension to an uncomfortable degree.

See also Snyder, "Crisis Bargaining," in Hermann (fn. 7), 217. However, the ICB Project focuses on the perceptions and behavior of a state, an action process. Moreover, Snyder and Diesing ignore the time component. Also, we are concerned with intra-war crises (see fn. 16), which Snyder and Diesing's definition excludes *a priori.*

[15] For an elaboration of these differences, see Brecher (fn. 11), 2-6. Parenthetically, in a recent article Hermann dropped "surprise" as a necessary condition of crisis and changed "high-priority goals" to "valued goals." Charles F. Hermann and Robert E. Mason, "Identifying Behavioral Attributes of Events that Trigger International Crises," in Ole R. Holsti, Randolph M. Siverson, and Alexander L. George, eds., *Change in the International System* (Boulder, Colo.: Westview Press, 1980), pp. 193-94. ICB focuses on military-security crises. We recognize—but are not exploring at this stage—other types of crises, such as political, economic, and cultural.

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nomic and political development, and so forth. Moreover, this period would provide the rich laboratory of World War II to operationalize the novel concept of "intra-war crisis" (IWC), which retains the threat and time components noted above and replaces perceived likelihood of military hostilities with perceived adverse change in the military balance.[16] Third, the set of cases to be generated would be large enough to permit statistical analysis of the aggregate data. Later, we decided to extend the time frame back to 1930 and forward to 1980, adding the crisis-laden years of Nazi Germany's ascent to major power status and the approach of World War II, as well as the profusion of crises in Africa and West Asia during the last half of the 1970s.

The list of cases has undergone several stages of research. A preliminary set was compiled by two coders in 1975–1976 from the *New York Times* and *Keesing's Contemporary Archives*. Any event(s) or situational change(s) which triggered all three perceptual conditions of crisis was included as a separate actor-case—that is, a crisis for a single state.[17] Actor-cases that were clearly related—for example, the United States, the Soviet Union, and Cuba in the Missile Crisis of 1962—were grouped into clusters.[18]

The initial global set of 469 actor-cases, including 79 intra-war crises, was collapsed into 9 regional subsets and was submitted to the judgment of area specialists. They were requested to indicate cases on the 1938–1975 list that lacked one or more of the three necessary conditions of crisis, and to draw our attention to cases that had been omitted.[19] While the final set for 1930–1980 has not yet been determined, it

[16] Illustrative indicators of an IWC are: the entry of a new major actor into an ongoing war; the exit of a major actor; a technological escalation; a major nontechnological escalation; defeat in a significant battle; and perception of the likely entry of a major actor into an ongoing war. The concept of intra-war crisis arose from the discovery of changes, during a war, that profoundly affected coping and choice as a result of higher threat and greater time pressure and a perceived shift in the military balance. Examples of these indicators are: the entry of P.R.C. forces into the Korean War in October 1950 (an IWC for the United States and South Korea); the defeat of France in June 1940 (a crisis for the United Kingdom); the dropping of the atomic bomb in August 1945 (a crisis for Japan); defeat at the battle of Dien Bien Phu in May 1954 (a crisis for France); and the Soviet threat to intervene in the Suez-Sinai War of 1956 (an IWC for Israel).

[17] A member of the international system whose decision makers perceive threat, time pressure, and the likelihood of military hostilities—that is, a state confronted with a crisis—is designated a *crisis actor*.

[18] Not all actor-cases fall into a cluster. Our set includes single-actor cases, in which only one state perceives a situational change as triggering a crisis for itself; for example, Portugal was the sole crisis actor in a 1955 crisis over Goa triggered by India; the U.S. was the single crisis actor in the 1965 Dominican Republic coup and invasion.

[19] Valuable suggestions were made by the following persons: *Africa*—Douglas Anglin (Carleton), Naomi Hazan (Jerusalem), Nelson Kasfir (Dartmouth), Saadia Touval (Tel Aviv); *Central and Eastern Europe*—Karen Dawisha (Southampton),

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is expected that more than 100 states will appear as crisis actors at least once during the half-century under inquiry. For the period 1945–1975, the first stage of our aggregate research, we have uncovered 349 actor-cases in 90 crisis clusters, involving 89 states, as set out in Table 1.

TABLE 1

INTERNATIONAL CRISES 1945–1975

	Number of Crisis Clusters (by region)	*Number of Actor-Cases* (for all states in a region)*	*Number of States as Crisis Actors* (by region)*
Africa	13	45	26
Central and South America	13	31	13
North America	0	35	1
East Asia	8	21	6
Southern Asia	15	57	11
Central and Eastern Europe	7	26	7
Southern Europe	5	14	6
Western and Northern Europe	3	37	8
Middle East	26	83	11
Total	90	349	89

* Each crisis for a state is designated an actor-case. Thus 8 states in Western and Northern Europe experienced 37 crises as defined by ICB during the three decades.

The largest regional concentration of crises for 1945–1975 was in the Middle East. This area led in the number of actor-cases for states in a region (83) as well as in the number of crisis clusters located within a region (26), greatly exceeding the scores of the second-ranking region, Southern Asia, in both respects. Formally, North America had the highest per state average, but only one international actor in that region experienced any crises, and that actor is a superpower. More

Benjamin Geist (Jerusalem), Galia Golan (Jerusalem), Amnon Sella (Jerusalem); *Central and South America*—Alexandre de Barros (Rio de Janeiro), Thomas Bruneau (McGill), Jorge Dominguez (Harvard), Edy Kaufman (U.C.L.A.), E. S. Milenky (Washington); *East Asia*—Ehud Harari (Jerusalem), Ellis Joffe (Jerusalem), George T. C. Yu (Illinois); *Middle East*—Richard H. Dekmejian (SUNY–Binghamton), Jacob Landau (Jerusalem); *North America*—Alan Dowty (Notre Dame), Alexander L. George (Stanford), Charles F. Hermann (Ohio State), Shlomo Slonim (Jerusalem); *Southern Asia*—Karl Jackson (U.C.–Berkeley), Paul Kattenburg (South Carolina), Guy Pauker (RAND), Leo Rose (U.C.–Berkeley), Martin Rudner (Australian National University); *Southern Europe*—Luigi Bonanate (Turin), Filippo Sabetti (McGill); *Western and Northern Europe*—Kjell Goldmann (Stockholm), Peter Gourevitch (U.C.–San Diego), Barbara Haskell (McGill), Frederic S. Pearson (Missouri).

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striking is that, as a region, North America was crisis-free; all United States actor-cases were located elsewhere. Moreover, there were few crises in Europe. The Middle East's susceptibility to crisis is also evident in its per state average, 7.5, compared to 5.2 for Southern Asia, 4.6 for Western and Northern Europe, 3.7 for Central and Eastern Europe, and at the other extreme, 1.7 for Africa.[20] Almost half the crises during the three decades after World War II were located in the Middle East and Southern Asia. Together with Africa and Latin America, these areas accounted for the location of three-fourths of all crises since 1945.[21] The United States was a crisis actor in twice as many cases as any other state. Others with 10 or more actor-cases were Egypt, Israel, Jordan, Pakistan, the People's Republic of China, Syria, the United Kingdom, and the Soviet Union.

From the master list of crises, a group of 25 actor-cases was selected for "vertical" or in-depth research. The choice was made by participants in the 1975–1976 Project Seminar, based upon known availability of data and fit in terms of "case-types."[22] All vertical studies utilize a research design, model, and methods devised for this purpose.[23] They designate the decision maker(s) and type of decisional unit for each period in the crisis—pre-crisis, crisis, and post-crisis; indicate the decisions for the three periods; and explore the attitudinal prism and images of decision makers for each period—including a description of the decision flow in detail, so as to provide the data to test propositions about crises. The focus of the decision flow is on the four central concerns of the vertical studies: information processing; consultation process; decisional forums; and the search for and consideration of alternatives.

In that context, all case studies address nine questions derived from a general theme. What are the effects of changing crisis-induced stress

[20] The finding for Africa is due at least in part to the fact that many of these states achieved independence in the late 1950s and 1960s, and hence had less "opportunity" for crisis participation than the older states.

[21] This distribution reinforces Kende's finding: "It is primarily in respect to Europe and North America . . . that the world presents a relatively peaceful picture; it is much less peaceful from the perspective of Asia, Africa, and Latin America." Istvan Kende, "Twenty-five Years of Local Wars," *Journal of Peace Research*, VIII (No. 1, 1971), 53. See also Kende, "Wars of Ten Years (1967–1976)," *Journal of Peace Research*, XV (No. 3, 1978), 227-41.

[22] Attempts to generate a statistically precise sample foundered on the small number of cases relative to the large number of variables. Thus, it was not possible to produce an accurate set of "case-types" as a composite of age, territory, regime, capability, and values, and of crisis dimensions such as trigger, actor behavior, outcome, etc. We therefore decided on a judgmental designation of case-types as one basis for selection.

[23] See Michael Brecher, "State Behavior in International Crisis: A Model," *Journal of Conflict Resolution*, XXIII (No. 3, 1979), 446-80.

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on: cognitive performance; the perceived need and consequent quest for information; the receptivity and size of the information-processing group; the type and size of consultative units; group participation in the consultative process; the size and structure of decisional forums; authority patterns within decisional units; the search for and evaluation of alternatives; and the perceived range of available alternatives? Crisis components and coping mechanisms are analyzed for each period. With the data thus generated, each vertical study will test hypotheses that have accumulated in the crisis literature as well as propositions generated in the first ICB study about effects of stress on coping and choice in an international crisis.[24]

Conceptual Map and Research Framework

During the lengthy process of case-set construction, two additional building blocks were created. First, we constructed typologies for crisis-relevant variables.[25] Second, these typologies provide the foundation for a codebook and a coding scheme designed to tap quantifiable crisis data for each actor-case.

All variables within the three-fold domain of our inquiry are incorporated into the Conceptual Map. As is evident from Figure 1, there are six clusters of Actor Attributes—Age, Territory, Regime, Capability, Values, and Decision Making; five variable clusters of System Characteristics—Size, Geography, Structure, Alliance Configuration, and Stability; and six clusters of Crisis Dimensions—Trigger, Actor Behavior, Superpower Activity, Role of International Organizations, Outcome, and Consequences. Each variable cluster, such as Capability or Values, Structure or Stability, Trigger or Outcome, contains one or more specific variables. For example, actor behavior incorporates four components—namely, the crisis actor's major response, its techniques of crisis management, and the extent and severity of violence where it occurs.

Many variables in the Conceptual Map have been explored in the foreign policy literature of the past two decades. The crisis dimension of actor behavior, for example, was a major focus of the works noted in

[24] For the prototype of vertical studies, see Brecher with Geist (fn. 11). The vertical segment of the Project, including a list of monograph-length case studies completed and in progress, is reported by Brecher in *Comparative Foreign Policy Notes*, VIII (No. 2, 1980), 32-40.

[25] A preliminary version of the typologies was presented in Brecher, "Toward a Theory of International Crisis Behavior," *International Studies Quarterly*, XXI (No. 1, 1977), 63-74.

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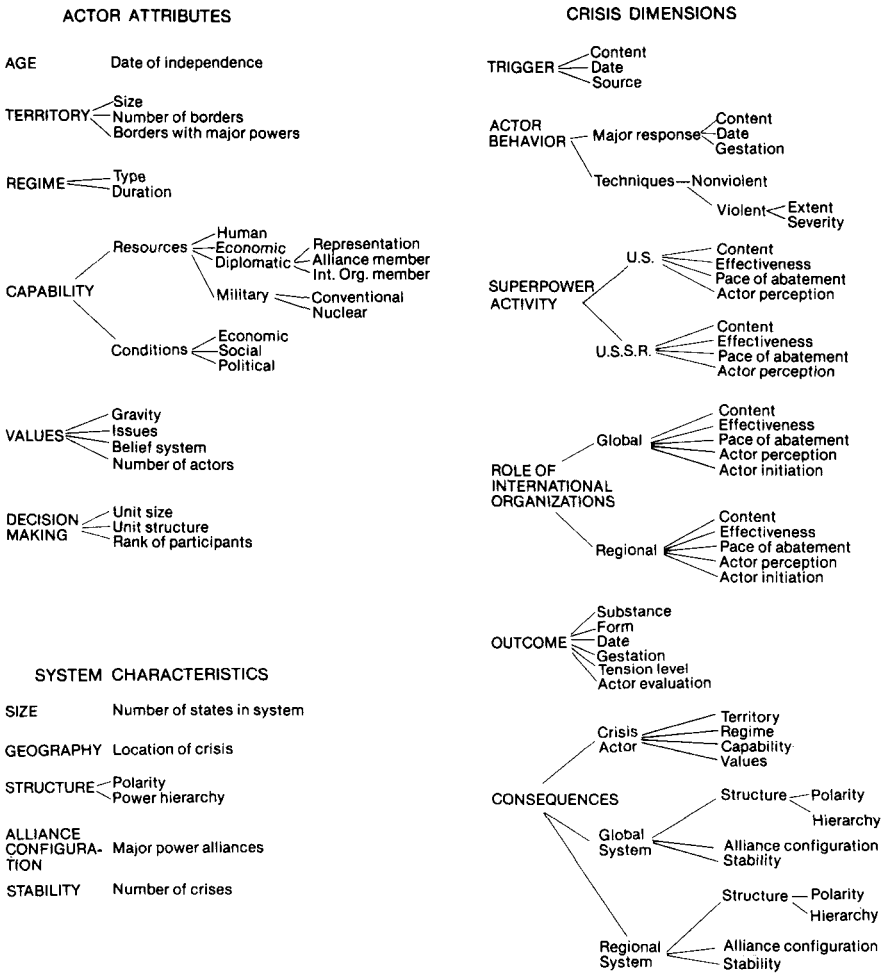
FIGURE 1
CONCEPTUAL MAP OF
INTERNATIONAL CRISIS VARIABLES



the introduction to this paper—the Stanford Group, Paige, Allison, George and Smoke, Snyder and Diesing, McClelland, and Hermann. Actor attributes have been examined by proponents of the decision-making approach. More specifically, the concepts of age of a state, its regime, military and economic resources (capability), domestic conditions, and territorial size and location—and their effects on foreign policy behavior—were analyzed by, among others, Andriole et al.,[26]

[26] Stephen J. Andriole, Jonathan Wilkenfeld, and Gerald W. Hopple, "A Framework for the Comparative Analysis of Foreign Policy Behavior," *International Studies Quarterly*, XIX (June 1975), 160-98.

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East,[27] East and Hermann,[28] Hopple et al.,[29] Rosenau,[30] Rummel,[31] and Wilkenfeld et al.[32] Similarly, the decision-making unit—its size, structure, and rank of participants; their values and issues at stake; information processing; and various effects on decision making and crisis management—have been dissected by Allison,[33] Brecher,[34] George,[35] Hermann,[36] Stein and Tanter,[37] and others. Finally, crucial system characteristics such as polarity, power stratification, and alliance configuration—and their impact on state behavior—have been illuminated by students of the system level of international relations, notably Azar,[38] Deutsch and Singer,[39] Kaplan,[40] McClelland,[41] Rosecrance,[42] Singer and Small,[43] Waltz,[44] and Young.[45] All have contributed in-

[27] Maurice A. East, "Size and Foreign Policy Behavior: A Test of Two Models," *World Politics*, XXV (July 1973), 556-76.

[28] Maurice A. East and Charles F. Hermann, "Do Nation-Types Account for Foreign Policy Behavior?" in James N. Rosenau, ed., *Comparing Foreign Policies: Theories, Findings and Methods* (New York: John Wiley, 1974), 269-305.

[29] Gerald W. Hopple, Jonathan Wilkenfeld, Paul J. Rossa, and Robert N. McCauley, "Societal and Interstate Determinants of Foreign Conflict," *Jerusalem Journal of International Relations*, II (Summer 1977), 30-67.

[30] James N. Rosenau, "Pre-Theories and Theories of Foreign Policy," in R. Barry Farrell, ed., *Approaches to Comparative and International Politics* (Evanston, Ill.: Northwestern University Press, 1966), 27-92.

[31] R. J. Rummel, "The Relationship Between National Attributes and Foreign Conflict Behavior," in J. David Singer, ed., *Quantitative International Politics: Insights and Evidence* (New York: Free Press, 1968), 187-214, and "Some Empirical Findings on Nations and Their Behavior," *World Politics*, XXI (January 1969), 226-41.

[32] Jonathan Wilkenfeld, Gerald W. Hopple, Paul J. Rossa, and Stephen J. Andriole, *Foreign Policy Behavior* (Beverly Hills, Calif.: Sage Publications, 1980).

[33] Allison (fn. 4), and "Conceptual Models and the Cuban Missile Crisis," *American Political Science Review*, Vol. 63 (No. 3, 1969), 689-718.

[34] Michael Brecher, Blema Steinberg, and Janice Stein, "A Framework for Research on Foreign Policy Behavior," *Journal of Conflict Resolution*, XIII (No. 1, 1969), 75-101; and Brecher (fn. 11).

[35] Alexander L. George, *Presidential Decisionmaking in Foreign Policy: The Effective Use of Information and Advice* (Boulder, Colo.: Westview Press, 1980).

[36] Hermann (fn. 12).

[37] Janice G. Stein and Raymond Tanter, *Rational Decision-Making: Israel's Security Choices, 1967* (Columbus: Ohio State University Press, 1980).

[38] Edward E. Azar, "Conflict Escalation and Conflict Reduction in International Crisis: Suez, 1956," *Journal of Conflict Resolution*, XVI (No. 2, 1972), 183-201.

[39] Karl W. Deutsch and J. David Singer, "Multipolar Power Systems and International Stability," *World Politics*, XVI (April 1964), 390-406.

[40] Morton Kaplan, *System and Process in International Politics* (New York: John Wiley, 1957).

[41] McClelland (fn. 7), and "Access to Berlin: The Quantity and Variety of Events 1948–1963," in Singer (fn. 31), 159-86.

[42] Richard N. Rosecrance, *Action and Reaction in World Politics* (Boston: Little, Brown, 1963), and "Bipolarity, Multipolarity, and the Future," *Journal of Conflict Resolution*, X (No. 3, 1966), 314-27.

[43] J. David Singer and Melvin Small, "Alliance Aggregation and the Onset of War, 1815–1945," in Singer (fn. 31), 247-86.

[44] Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979).

[45] Oran R. Young, *The Intermediaries: Third Parties in International Crises* (Princeton: Princeton University Press, 1967).

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sights into one or several aspects of crises. Building upon this cumulative knowledge, the ICB Project is engaged in research aimed at a theoretically comprehensive analysis of international crisis.

The Map is a taxonomy of crisis-relevant factors. It also provides a framework for the creation of models that specify the relationships among independent, interacting, and dependent variables. The number of potential linkages among variable clusters is large. The number of possible links among variables and subvariables is much larger. However, some variables are theoretically more interesting than others. It is with a subset of important relationships that we are concerned.

The derivation of a research framework and models from the Conceptual Map rests on several assumptions:

—there are independent variables in all three categories, actor attributes, system characteristics, and crisis dimensions;
—all dependent variables fall within crisis dimensions;
—many variables have multiple functions, serving as independent variables in some relationships, interacting in others, and dependent in still others; and
—the only exclusive dependent variable is consequences.

One may deduce four sets of important relationships from the Map:

—Actor Attributes ⟶ Crisis Dimensions (e.g., values threatened ⟶ actor behavior)
—System Characteristics ⟶ Crisis Dimensions (polarity ⟶ trigger)
—Actor Attributes ⟶ System Characteristics ⟶ Crisis Dimension (capability ⟶ stability ⟶ actor behavior)
—Crisis Dimensions ⟶ Crisis Dimensions (actor behavior ⟶ outcome)

Just as the vertical studies focus on an integrated group of questions, so our aggregate or horizontal research is guided by a common set of concerns. Those relating to crisis dimensions—the element we are trying to explain—are noted below.

TRIGGER

—What specific event(s) or situational change(s) stimulated crisis perceptions by decision makers—that is, images of value threat, time pressure, and likelihood of military hostilities?
—What was the date of the crisis trigger?
—Which entity triggered the crisis?

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CRISIS MANAGEMENT

—What was the major response by the crisis actor to the triggering event or change—that is, the act that captured the major thrust of its behavior in the crisis as a whole?
—What was the date of the major response?
—What was the primary crisis-management technique employed by the crisis actor; that is, how did it attempt to cope with the crisis?
—To what extent was violence employed as a crisis-management technique?
—How severe was the violence used by the crisis actor?

SUPERPOWER ACTIVITY

—What was the most intense type of verbal or physical activity by the United States/Soviet Union in a crisis in which the superpower was not a direct participant?[46]
—What was the most effective type of U.S./U.S.S.R. activity in the crisis?
—What was the effectiveness of U.S./U.S.S.R. activity in abating the crisis—that is, preventing hostilities or otherwise contributing to the termination of the crisis?
—Did U.S./U.S.S.R. activity affect the rapidity of abatement of the crisis as a whole?
—How was U.S./U.S.S.R. activity (inactivity) during the crisis viewed by the crisis actors?

ROLE OF INTERNATIONAL ORGANIZATIONS[47]

—What was the most important U.N. organ active in the crisis?
—What was the most intense type of verbal or physical activity by the U.N. or a regional organization in the crisis?
—What was the most effective type of U.N./regional organization activity in the crisis?
—How effective was U.N./regional organization activity in abating the crisis?
—Did U.N./regional organization activity affect the rapidity of abatement of the crisis as a whole?

[46] A state that does not perceive one or more of the three necessary conditions of crisis as directly applicable to itself, but is involved in a less intense form of activity is termed an *involved actor*, as distinct from a crisis actor.

[47] The inclusion of international organization variables in the ICB Project followed valuable discussions with Ernst Haas in 1979, and constitutes an attempt to replicate for *crisis* management the role of the U.N. and regional organizations in *conflict* management, as reported in Ernst Haas, Joseph S. Nye, and Robert L. Butterworth, *Conflict Management by International Organizations* (Morristown, N.J.: General Learning Press, 1972).

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—How was U.N./regional organization activity (inactivity) during the crisis viewed by the crisis actor?

OUTCOME

—How did the crisis end; that is, did the crisis actor triumph or yield, or was a compromise or stalemate reached?
—What form did the outcome of the crisis take?
—How did the crisis actor evaluate the outcome; that is, was it satisfied or dissatisfied, and did it perceive its adversary(ies) as satisfied or dissatisfied?
—Did the crisis outcome lead to an escalation or a reduction of tension between the adversaries?
—What was the duration of the crisis from trigger to termination?

In sum, our aggregate research is designed to describe and explain four clusters of crisis dimensions as delineated in the Map: trigger; actor behavior (its major response, techniques of crisis management, and the extent and severity of violence); the activity of super (major) powers and international organizations (content, effectiveness, and the crisis actor's perception thereof); and outcome (substance, form, effect on tension, and evaluation by the crisis actor). Finally, we are assessing, in qualitative terms, the consequences of crises: the effects of behavior and outcomes on the territory, regime, capability, and values of the crisis actor; and on the structure, alliance configuration, and stability of the international system in which the crises occurred.

Our research framework on international crisis specifies a set of linkages among actor attributes, system characteristics, and crisis dimensions (Figure 2). In essence, we argue that there will be different effects on actor behavior and other crisis dimensions, stemming from variations in the age of states, size of territory, regime type and duration, capability, and values threatened—including issues at stake. We also postulate different effects on crisis dimensions when these actor attributes interact with one or more system characteristics—namely, structure, alliance configuration, and stability. Implicit in the framework is the assumption that the content of actor attributes and system characteristics is channeled through the decision-making process of the crisis actor en route to effects upon behavior and other crisis dimensions. Some of these anticipated effects will be specified later as hypotheses, and tested with ICB-generated data.

In order to operationalize the variables of this framework and to gather crisis-relevant quantitative data on 600 actor-cases, we devised a set of rigorous coding rules. We also attempted to produce boundary-

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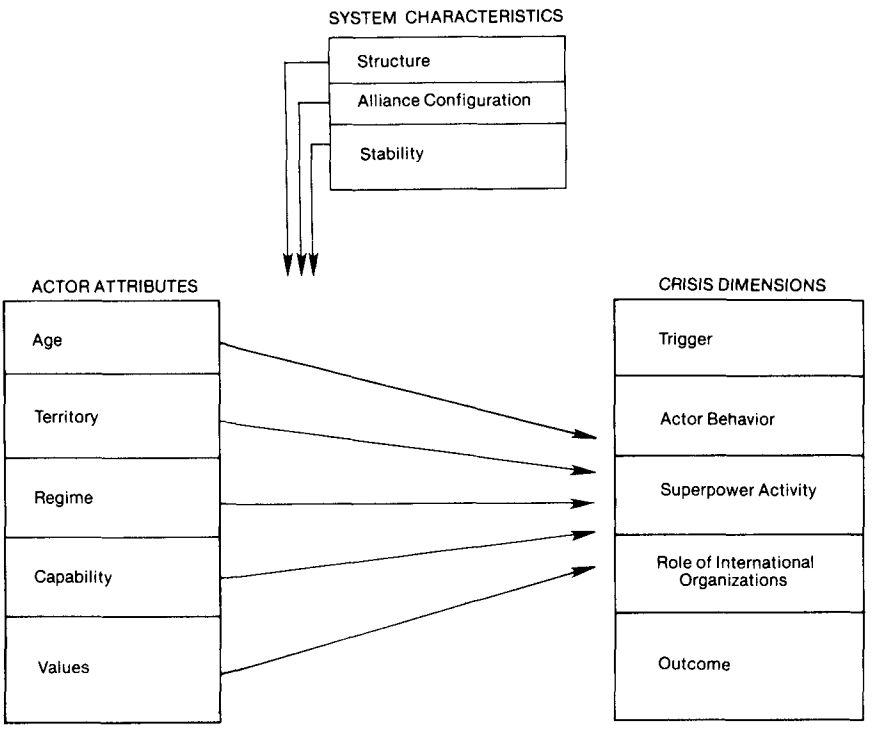
FIGURE 2
RESEARCH FRAMEWORK ON INTERNATIONAL CRISIS



free values for each variable. The independent, interacting, and dependent variables, along with examples from CRISBANK (the ICB data set), are specified in the appendix to this paper. By way of illustration, we delineate in the following pages one actor attribute, Capability; one system characteristic, Structure of the International System; and one crisis dimension, Outcome.

ACTOR ATTRIBUTE: CAPABILITY

Capability or potential power incorporates several attributes, which are grouped into *resources* and *conditions*. The former include *human* (size and multiple distributions of population) and *economic* (a number of specific variables like GNP, per capita GNP, foreign currency reserves, balance of payments, and so forth).

Diplomatic capability refers to three other resources: the number of sovereign states with which a crisis actor maintained diplomatic relations at the time of the crisis trigger; the crisis actor's membership in global and regional international organizations; and its alliance status,

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especially vis-à-vis superpowers. Alliance status is coded as one of the following: formal alliance with the United States (any NATO member since 1949, such as Belgium in the 1960 Congo Crisis); formal alliance with the Soviet Union (any Warsaw Pact member since 1955, such as Poland in the Prague Spring Crisis of 1968); informal alignment with the United States (Jordan in the Black September Crisis of 1970); informal alignment with the Soviet Union (North Vietnam in the Christmas Bombing Crisis of 1972); nonalignment (India in the 1962 Border Crisis with China); or neutralization (Laos in the crisis arising from the invasion of its territory in 1971).

Nuclear (military) capability is coded as:
no foreseeable capability (sub-Saharan African states in all of their crises);
foreseeable—within five years of the beginning of a crisis (India at the time of the 1971 Bangladesh Crisis);
first strike (the P.R.C. at the time of the 1969 Ussuri River Crisis);
developed (second strike) (U.S. and U.S.S.R. at the time of the Cuban Missile Crisis).

Conditions as a component of a crisis actor's capability are measured by economic, social, and political indicators. Economic data are gathered on cost of living, unemployment, inflation, food prices, labor disruption, and shortages of consumer goods. Social and political conditions refer to regime repression, societal unrest, mass violence, and government instability. The alternative values for the economic variables are significant increase, significant decrease, and normal increase or decrease during the four years prior to the beginning of a crisis; and for the sociopolitical variables, the alternative values are significant increase, normal level, and significant decrease.

A composite index of capability can be constructed on the basis of these indicators. Such an index was, in fact, created by Cox and Jacobson, using five indicators: GNP, per capita GNP, Population, Nuclear Capability, and Prestige. These are a close approximation of the ICB's category of Resources: Economic, Human, Military, and Diplomatic. Thus the Cox-Jacobson "Rank Order of States according to Power," as collapsed into five groups—super, major, middle, small, and mini—is used to classify a crisis actor in any specific year.[48]

[48] Robert W. Cox and Harold K. Jacobson et al., *The Anatomy of Influence* (New Haven: Yale University Press, 1974), 437-43. The grouping of states is to be found in Robert L. Butterworth, *Managing Interstate Conflict 1945–1974: Data with Synopses* (Pittsburgh: University of Pittsburgh, 1976), 486. A much more complex power

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The capability rank of a crisis actor is one possible predictor of actor behavior, outcome, and other crisis dimensions. For example, the United States and the Soviet Union are ranked as superpowers in all of their crises since 1945. By contrast, Israel and the United Arab Republic are both ranked as small powers in their 1948 crisis over the former's attainment of independence, but as middle powers in their 1967 crisis culminating in the Six-Day War. The Netherlands is ranked as small at the time of the end of its decolonization crises with Indonesia, 1947–1949, but as middle in its 1961 West Irian Crisis. Similarly, Poland is ranked as small in its 1956 crisis with the U.S.S.R., but as middle in the 1968 Prague Spring Crisis. And Pakistan moved from small-power rank in its 1947–1948 Kashmir Crisis to middle-power rank during its 1965 crisis with India, while India rose from middle- to major-power rank during those two decades.

System Characteristic: Structure

Structure refers to two system variables: power hierarchy and polarity.

Power hierarchy is indicated by the distribution of power among states in the international system. Theoretically, it can range from absolute equality among all international actors to near-total concentration of power in one unit.[49] As noted, states of relatively equal power are grouped into five categories: super, major, middle, small, and mini. Two indicators are used to determine the extent (or slope) of power stratification: the number of states in each category and the relative influence of each group in the international system. Thus, the more equal the number of states in each of the five groups, the more even (or flat) the power hierarchy of the system. Similarly, the smaller the influence gap between groups, the less sharp the power stratification of the system. Using the Cox-Jacobson scale, we arrived at the following distribution of states among the power-rank categories for the global system between 1945 and 1975:

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index with 25 variables has been constructed by the Situational Analysis Project, as reported in Richard Rosecrance, Alan Alexandroff, G. Healy, and Arthur Stein, "Power, Balance of Power, Status in Nineteenth-Century International Relations," *Sage Professional Papers in International Studies*, No. 3, 02-029 (Beverly Hills, Calif.: Sage Publications, 1974). Extensive work has been done in an attempt to refine the concept of power. For an illuminating survey of that literature, see David A. Baldwin, "Power Analysis and World Politics: New Trends versus Old Techniques," *World Politics*, xxxi (January 1979), 161-94.

[49] A monopoly of power by one unit would result in the termination of the international *system* as such.

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	1945–1955	1956–1965	1966–1975
super	2	2	2
major	3	5	8
middle	12	14	21
small	22	18	8
mini	all other	all other	all other

The relative weight of each power-rank group is indicated by the potential impact of its members' activity on the global system. It varies, but general distinctions may be drawn. Superpowers possess all four components of power—human, economic, diplomatic, and (nuclear) military—in such quality and quantity as to give them a veto over the survival of the system and all its members. The major powers' composite of the four components gives to their foreign policy decisions a far-reaching impact on crisis outcomes in their region and on global politics other than the survival of the system. The middle powers' combination of the four components is such that the effects of their foreign policy decisions, as distinct from subsequent related decisions of a patron state, are limited to their geographic region or subordinate system. And the effects of foreign policy decisions by small and mini powers are confined, in general, to their nearest neighbors.

Polarity refers to the number of power centers in the international system. A system may be unipower, bipolar, tripolar, or multipower, with variations such as polycentric. For the half-century under inquiry, every actor-case of crisis falls within one of the following periods of system polarity:

multipower	1930–1939
embryonic bipolar	June 1945–February 1948 (Czechoslovakia's entry into the Soviet bloc)
tight bipolar	March 1948–November 1956 (Hungarian Uprising; Suez-Sinai War)
loose bipolar	November 1956–October 1962 (Cuban Missile Crisis)
polycentric	October 1962–October 1975 (Angola)
unstable détente	October 1975–1980

Crisis Dimension: Outcome

The dimension of Outcome comprises four components—substance, form, effects on tension, and actor evaluation.

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Substance is coded from the unambiguous to the ambiguous:
defeat—non-achievement of basic goal(s): the crisis actor yields or is defeated by an adversary in a war (Egypt in the May/June 1967 Crisis culminating in the Six-Day War);
victory—achievement of basic goal(s): the crisis actor defeats a threatening adversary, with or without violence (Jordan's triumph over Syria in the 1970 Black September Crisis);
stalemate—no effect on basic goal(s): no clear outcome, no change in the situation, or a restoration of the *status quo ante* (P.R.C. and U.S.S.R. in the 1969 Ussuri River Crisis);
compromise—partial achievement of basic goal(s): (Tashkent Agreement following the India-Pakistan War of 1965).

Form is designated in the following terms:
formal agreement—treaty, armistice, cease-fire (the armistice agreements of 1949 signed by Israel and four Arab states);
semi-formal agreement—exchange of letters, declarations (oral statements in Washington and Moscow at the conclusion of the 1962 Cuban Missile Crisis);
tacit agreement—mutual understanding by adversaries, neither stated nor written (informal acceptance by India and China in December 1962 that no forces would be stationed in the disputed area straddling their frontier);
unilateral action—(the U.S.S.R. in the 1968 Prague Spring Crisis);
crisis faded—no known termination date and no known agreement between adversaries (the 1958 Baghdad Coup Crisis for the U.K. and Jordan).

Effects of the crisis outcome on the *tension level* between adversaries are also recorded. Tension is indicated by the presence or absence of crises between them in the subsequent five years:
escalation (intensification of tension over Katanga due to the outcome of the 1960 Congo Crisis);
reduction (between India and China following the dramatic military setback of the former in the 1962 Border Crisis).

Actor evaluation of the outcome is designated as follows:
all parties satisfied with the outcome (Italy and Yugoslavia in the 1953 Trieste Crisis);
crisis actor satisfied, adversary dissatisfied (Sudan perceived itself as satisfied and Egypt as dissatisfied, in their 1958 territorial crisis);
all parties dissatisfied (Dominican Republic perceived all crisis actors

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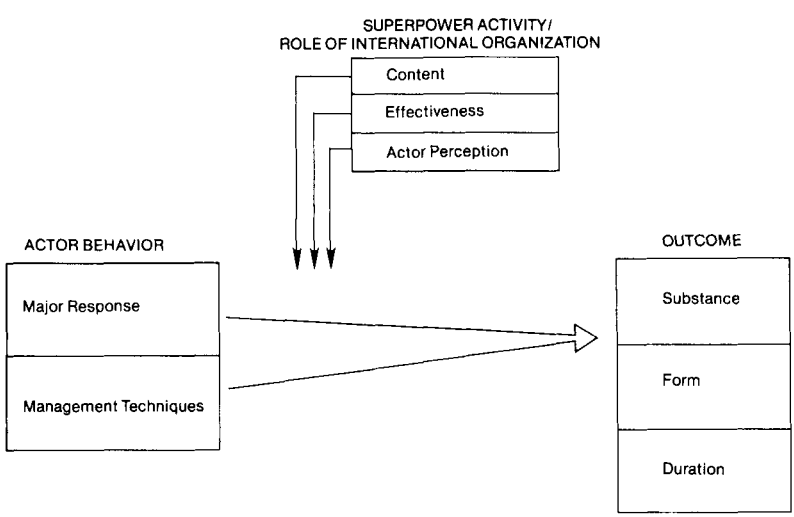
as dissatisfied with the outcome of the 1947 crisis arising from the threat of a Cuba-supported invasion of the Dominican Republic); *adversary(ies) satisfied, crisis actor dissatisfied* (the United Kingdom perceived Egypt as satisfied and itself as dissatisfied over the outcome of the 1951 Suez Canal Crisis).

Crisis Management-Outcome Model: Hypotheses and Findings

Earlier in this paper we presented a research framework on international crisis (Figure 2). Models have been developed to explain variance in one crisis dimension only, such as trigger, behavior, or outcome. Among these is a crisis management-outcome model (Figure 3), which proposes that the behavior of a crisis actor as reflected in its major response to the crisis trigger, as well as the extent and severity of violence employed as crisis-management techniques, have an impact on the substance and form of crisis outcomes, and on the duration of international crises. Furthermore, we expect this process to be affected by the intensity of the involvement of superpowers and international organizations.

Figure 3
Crisis Management–Outcome Model



A number of testable hypotheses may be derived from this model. As an illustration of the type of research being conducted by the ICB Project, we will identify a subset of these hypotheses and subject it to preliminary empirical examination, utilizing portions of the CRISBANK data set. As part of our overall mapping strategy, these hypoth-

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eses should be viewed as guides for analysis rather than as firmly derived from rigorous theoretical statements. Nonetheless, they do have their roots in the literature on international crisis discussed earlier. Our focus is on the period between the end of World War II and the close of the bipolar international system—i.e., 1945 to 1962. The analysis will be based on the 185 cases that occurred during this period.[50]

MAJOR RESPONSE AND CRISIS OUTCOME

The initial cluster of hypotheses addresses the relationship between major response to crisis trigger and outcome. The categories of the major response variable[51] have been combined to form three groups: nonviolent response, nonviolent military response, and violent military response. It is our expectation that the more violent the major response to crisis trigger, the more likely it is that (1) actor values (henceforth referred to as goals) will be achieved in full (victory) or in part (compromise), as opposed to defeat or stalemate; (2) the form of outcome will be agreement (either formal or semi-formal), as opposed to tacit, unilateral, or faded; and (3) crises will be longer in duration. Furthermore, we expect that, as the level of intensity of superpower involvement increases, there will be a decline in goal achievement by crisis actors, a reduction in formal or semi-formal agreement, and a lengthening of the duration of the crisis.

A number of assumptions underly these hypothesized relationships. We assume that actors who respond with violence tend to do so when they feel there is a reasonable likelihood of achieving their goals in full or in part. Crises characterized by violent responses will often necessitate decisive outcomes such as agreements, whereas less violent responses will be more likely to terminate through tacit agreements, unilateral acts, or simply to fade with no clear-cut termination. We expect that the interactive effect of superpower involvement will have a dampening effect on goal achievement by non-superpower participants, and will reduce the tendency toward agreement because of the widening nature of the crisis. Finally, superpower involvement will lengthen the duration of the crisis.

[50] In those portions of the analysis in which we assess the impact of superpower involvement in crises, U.S. and U.S.S.R. actor-cases are excluded. For an analysis that focuses exclusively on U.S. and U.S.S.R. behavior in crises (as it relates to crisis outcomes), see Wilkenfeld and Brecher, "US and USSR Behavior in Crisis Management: A Comparison," in Charles W. Kegley, Jr. and Patrick J. McGowan, eds., *Foreign Policy: US/USSR*, Sage International Yearbook of Foreign Policy Studies, VIII (Beverly Hills, Calif.: Sage Publications, 1982).

[51] For a more extensive treatment of this and all other variables discussed in the following pages, see the Appendix.

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The results of tests of the first hypothesis cluster are presented in Table 2, beginning with the relationship between major response and substantive outcome, according to level of intensity of superpower involvement (see part A of Table 2). The cases are divided into those showing no involvement by either superpower, those showing low intensity of superpower involvement (at least one superpower with political or economic involvement), and those showing high intensity of superpower involvement (at least one superpower with semi-military involvement or direct military intervention). In examining these findings, we will discuss the distributions within the matrices (the relationship between response and outcome) and the distributions across the three matrices (the impact of the intensity of superpower involvement).

The use of violence by the crisis actor as its major response to the crisis trigger appears to have an impact on the achievement of goals, particularly if one contrasts nonviolent response to violent military response. Thus, when there is no superpower involvement, 43 percent of the cases of nonviolent response show goal achievement as the outcome, while 62 percent of those with violent military response indicate goal achievement. This pattern is reversed where there is a high intensity of superpower involvement. There we find that, while 56 percent of the cases with nonviolent response show goal achievement, only 40 percent of those with violent military response show goal achievement as the outcome. In fact, goal achievement is at its lowest level for states that respond with military violence in crises in which at least one superpower is heavily involved. Therefore, the data appear to provide modest support for the substantive outcome part of the hypothesis.[52]

We turn now to the relationship between major response and form of outcome (see Part B of Table 2). Among the cases with no superpower involvement, there is a decided tendency toward termination without agreement, regardless of the level of violence in the major response. This trend is reversed among cases in which there was superpower involvement. In particular, we note that for cases of high intensity of superpower involvement, the likelihood of termination in agreement increases from 42 percent for nonviolent responses, to 60 percent for nonviolent military responses, and finally to 73 percent for violent

[52] Chi-squares and tests of significance were computed, but are not reported here. These tests should be viewed as advisory, since we are dealing here with the entire population of cases. Furthermore, many of the hypothesized relationships are tested by contrasting the distributions in two rather than three rows of the matrix, or in contrasting rows across matrices.

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TABLE 2

MAJOR RESPONSE AND CRISIS OUTCOME BY LEVEL OF SUPERPOWER INVOLVEMENT

A. Substantive Outcome

	NO SP INVOLVEMENT			LOW SP INVOLVEMENT			HIGH SP INVOLVEMENT		
	Goals Achieved	Goals Not Achieved		Goals Achieved	Goals Not Achieved		Goals Achieved	Goals Not Achieved	
Nonviolent Response	6 43%	8 57%	14	21 51%	20 49%	41	18 56%	14 44%	32
Nonviolent Military Response	4 67%	2 33%	6	7 58%	5 42%	12	10 67%	5 33%	15
Violent Military Response	5 62%	3 38%	8	9 50%	9 50%	18	4 40%	6 60%	10
	15	13	28	37	34	71	32	25	57

B. Form of Outcome

	NO SP INVOLVEMENT			LOW SP INVOLVEMENT			HIGH SP INVOLVEMENT		
	Agreement	No Agreement		Agreement	No Agreement		Agreement	No Agreement	
Nonviolent Response	4 29%	10 71%	14	21 55%	17 45%	38	14 42%	19 58%	33
Nonviolent Military Response	2 33%	4 67%	6	6 50%	6 50%	12	9 60%	6 40%	15
Violent Military Response	3 38%	5 62%	8	13 72%	5 28%	18	8 73%	3 27%	11
	9	19	28	40	28	68	31	28	59

C. Duration of Crisis

	NO SP INVOLVEMENT			LOW SP INVOLVEMENT			HIGH SP INVOLVEMENT		
	Short	Long		Short	Long		Short	Long	
Nonviolent Response	10 71%	4 29%	14	23 60%	15 40%	38	21 72%	8 28%	29
Nonviolent Military Response	6 100%	0 0%	6	6 60%	4 40%	10	7 58%	5 42%	12
Violent Military Response	3 50%	3 50%	6	8 50%	8 50%	16	1 11%	8 89%	9
	19	7	26	37	27	64	29	21	50

military responses. Thus, contrary to our expectation, we find that superpower involvement in crises, while widening the scope of the crisis, has the effect of producing higher rates of agreement among the non-superpower participants. In conjunction with our earlier findings, it appears that although intense superpower involvement fosters agreement among non-superpower participants, it also has the effect of reducing goal achievement.

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Finally, we examine the relationship between major response and duration of crisis (from trigger to termination). For purposes of this analysis, the breakpoint between short and long crises is 90 days. The data generally support the notion that the more violent the major response to the trigger, the longer the duration of the crisis. This trend is dramatically accentuated among the cases with high intensity of superpower involvement, where we note a sharp increase in the duration of the crisis as the nature of the response becomes more violent (28 percent of the cases of nonviolent response are long, as compared to 42 percent of those of nonviolent military response, and 89 percent of those of violent military response). Thus, the portion of the hypothesis cluster that pertains to superpower involvement and its impact on duration appears to be supported by the data.

To sum up: the more violent an actor's response to a crisis trigger, the greater the likelihood of goal achievement. High intensity of superpower involvement has a dampening effect on goal achievement, fosters termination through agreement, and contributes to the lengthening of a crisis.

SEVERITY OF VIOLENCE AND CRISIS OUTCOME

The second cluster of hypotheses deals with the relationship between the severity of violence employed as a technique of crisis management and the outcome of the crisis. Severity of violence is considered to be low if no violence at all occurs, or if violence is in the form of minor clashes involving few or no deaths or injuries. High severity of violence includes cases of serious clashes and full-scale wars. It is our expectation that the more severe the violence employed as a crisis-management technique, the more likely it is that (1) actor goals will be achieved in full (victory) or in part (compromise), as opposed to defeat or stalemate; (2) the form of outcome will be agreement (either formal or informal), as opposed to tacit, unilateral, or faded; and (3) crises will be longer in duration. Furthermore, we expect that, as the level of U.N. involvement increases, the probability of goal achievement by crisis actors will increase, along with that of formal or semi-formal agreement, and the duration of a crisis will tend to increase.

The assumptions underlying these hypothesized relationships are similar to those discussed in connection with the major response to a crisis. Thus, violence will be employed in circumstances in which an actor believes that there is a reasonable likelihood of goal achievement. Crises involving high levels of violence will necessitate some

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form of agreement to bring about their termination. Regarding the impact of U.N. involvement, we reason that agreements are more likely to ensue from U.N. action, and that these agreements will facilitate the full or partial achievement of goals. However, the more extensive the U.N. involvement, the lengthier the crisis tends to become.

Table 3 presents the results of the tests of the hypothesized relationship between the severity of violence employed as a technique of crisis management and the outcome of the crisis. Goal achievement appears to be relatively unaffected by the severity of violence employed. However, it appears that, as the level of U.N. involvement increases, goal achievement in cases involving severe violence is enhanced (47 percent for no U.N. involvement, 58 percent for low U.N. involvement, and 68 percent for high U.N. involvement).

TABLE 3
SEVERITY OF VIOLENCE AND CRISIS OUTCOME BY LEVEL OF U.N. INVOLVEMENT

A. Substantive Outcome

	NO U.N. INVOLVEMENT			LOW U.N. INVOLVEMENT			HIGH U.N. INVOLVEMENT		
	Goals Achieved	Goals Not Achieved		Goals Achieved	Goals Not Achieved		Goals Achieved	Goals Not Achieved	
Less Severe Violence	36 51%	34 49%	70	25 64%	14 36%	39	5 56%	4 44%	9
More Severe Violence	7 47%	8 53%	15	19 58%	14 42%	33	13 68%	6 32%	19
	43	42	85	44	28	72	18	10	28

B. Form of Outcome

	NO U.N. INVOLVEMENT			LOW U.N. INVOLVEMENT			HIGH U.N. INVOLVEMENT		
	Agreement	No Agreement		Agreement	No Agreement		Agreement	No Agreement	
Less Severe Violence	28 39%	43 61%	71	19 53%	17 47%	36	8 100%	0 0%	8
More Severe Violence	2 13%	13 87%	15	21 62%	13 38%	34	18 95%	1 5%	19
	30	56	86	40	30	70	26	1	27

C. Duration of Crisis

	NO U.N. INVOLVEMENT			LOW U.N. INVOLVEMENT			HIGH U.N. INVOLVEMENT		
	Short	Long		Short	Long		Short	Long	
Less Severe Violence	57 84%	11 16%	68	24 71%	10 29%	34	5 56%	4 44%	9
More Severe Violence	10 100%	0 0%	10	11 37%	19 63%	30	1 5%	18 95%	19
	67	11	78	35	29	64	6	22	28

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Part B of Table 3 deals with the relationship between the severity of violence as a crisis-management technique and the form of outcome. Among the cases showing no U.N. involvement, we find a trend in the opposite direction of what had been expected; that is, as the severity of violence increases, the tendency to terminate through agreement decreases from 39 percent to 13 percent. U.N. involvement, on the other hand, enhances the tendency toward agreement. In particular, we note that among the 27 cases with high U.N. involvement, all but one terminated in agreement, regardless of the severity of violence. This is a striking finding concerning the role of the U.N. in the management of international crises between 1945 and 1962, the period of bipolarity.

Part C of Table 3 examines the relationship between severity of violence and duration of crisis. The cases that exhibit no U.N. involvement show no relationship between the severity of violence and duration; that is, all of these cases show a decided tendency toward crises of short duration. However, cases of low U.N. involvement and, more particularly, cases of high U.N. involvement exhibit strong relationships between severity of violence and duration: as the severity of violence increases, the duration of the crisis can be expected to increase accordingly, particularly when there is extensive U.N. involvement.

To sum up: the more severe the violence employed as a crisis-management technique, the smaller the tendency toward termination through formal or semi-formal agreement. As the level of intensity of U.N. involvement in crises increases, severe violence tends to enhance goal achievement and formal or semi-formal agreement, and to lengthen a crisis.

EXTENT OF VIOLENCE AND CRISIS OUTCOME

The third cluster of hypotheses deals with the relationship between the extent of violence employed as a technique of crisis management and the outcome of the crisis. Specifically, we differentiate those cases in which a crisis actor employs violence as the exclusive or central crisis-management technique from those in which violence is marginal or not employed at all. We expect that, as the extent of violence increases, it is likely that (1) actor goals will be achieved in full (victory) or in part (compromise), as opposed to defeat or stalemate; (2) the form of outcome will be agreement (either formal or semi-formal), as opposed to tacit, unilateral, or faded; and (3) crises will be longer in duration. We further expect that, as the level of intensity of superpower involvement increases, goal achievement by crisis actors

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will be reduced, the probability of formal or semi-formal agreement will decrease, and the duration of crises will be extended.

Underlying these hypothesized relationships is the assumption that cases in which violence is the exclusive or central technique of crisis management will tend to be the most serious in nature, and they will thus be played out over a longer period of time. This lengthier time frame facilitates the reaching of agreements at the point of termination, and consequently the achievement of an actor's goals in full or in part. Extensive intervention or involvement by superpowers will have the effect of transforming these crises into wider, strategic confrontations. This, in turn, will reduce the likelihood of a crisis actor achieving its goals and reaching formal or semi-formal agreements, and will lengthen still further the duration of the crisis itself.

Table 4 presents our findings on the relationship between the extent of violence as a technique of crisis management and the outcome of the crisis. Part A deals with substance of outcome in terms of goal achievement. Although the findings are not particularly strong, they point in the direction expected in the hypothesis. Thus, among crises with no superpower involvement, the results point toward an increase in goal achievement as we move to more extensive violence (47 percent to 64 percent). This modest trend exists also among cases of low superpower involvement, where we find the relevant percentages of goal achievement to be 45 percent and 62 percent. At the other extreme, the 57 cases of high intensity of superpower involvement reveal no relationship between extent of violence and goal achievement.

Part B of Table 4 examines the relationship between extent of violence and form of outcome. No relationship is apparent between these two variables. Once again, we note that superpower involvement in crises has the effect of enhancing the likelihood of termination through agreement, regardless of the extent of violence involved. While goal achievement is relatively high for cases with no superpower involvement, the likelihood that these cases will terminate in agreement is relatively low.

Finally, part C of Table 4 deals with the relationship between extent of violence and duration of crisis. Among cases with no superpower involvement, crises tend to be short in duration, regardless of the extent of violence involved. As the level of superpower involvement increases, crises in which extreme violence is employed tend to be decidedly longer than crises typified by low levels of violence. This tendency is most pronounced when the level of superpower involvement is at

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TABLE 4
EXTENT OF VIOLENCE AND CRISIS OUTCOME
BY LEVEL OF SUPERPOWER INVOLVEMENT

A. Substantive Outcome

	NO SP INVOLVEMENT			LOW SP INVOLVEMENT			HIGH SP INVOLVEMENT		
	Goals Achieved	Goals Not Achieved		Goals Achieved	Goals Not Achieved		Goals Achieved	Goals Not Achieved	
Less Extensive Violence	8 47%	9 53%	17	19 45%	23 55%	42	16 55%	13 45%	29
More Extensive Violence	7 64%	4 36%	11	18 62%	11 38%	29	16 57%	12 43%	28
	15	13	28	37	34	71	32	25	57

B. Form of Outcome

	NO SP INVOLVEMENT			LOW SP INVOLVEMENT			HIGH SP INVOLVEMENT		
	Agree-ment	No Agree-ment		Agree-ment	No Agree-ment		Agree-ment	No Agree-ment	
Less Extensive Violence	6 35%	11 65%	17	22 56%	17 44%	39	15 50%	15 50%	30
More Extensive Violence	3 27%	8 73%	11	18 62%	11 38%	29	16 55%	13 45%	29
	9	19	28	40	28	68	31	28	59

C. Duration of Crisis

	NO SP INVOLVEMENT			LOW SP INVOLVEMENT			HIGH SP INVOLVEMENT		
	Short	Long		Short	Long		Short	Long	
Less Extensive Violence	13 76%	4 24%	17	26 68%	12 32%	38	18 75%	6 25%	24
More Extensive Violence	6 67%	3 33%	9	11 42%	15 58%	26	11 42%	15 58%	26
	19	7	26	37	27	64	29	21	50

its highest; that is, cases involving extensive violence are more than twice as likely (58 percent as opposed to 25 percent) to result in longer crises when there is high intensity of superpower involvement.

To sum up: the more extensive the role of violence as a technique of crisis management, the greater the likelihood of goal achievement. High intensity of superpower involvement has the effect of producing a strong positive relationship between extent of violence and duration of crisis.

CONCLUSIONS

Our analysis has focused on several factors that have influenced crisis outcomes during the bipolar international system, 1945–1962. The most striking of these findings may now be summarized.

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- *Violence paid in crisis situations*; that is, when a state responded to an overt threat with violence, and neither superpower was involved in the crisis, it was more likely to attain its values—that is, to achieve its specific goals.
- *Agreement was not necessarily satisfying*; in crisis involving violent responses, intense superpower involvement enhanced termination in agreement. However, such agreements were not necessarily satisfying, and goal achievement among non-superpower actors dropped off.
- *Permissive violence led to ambiguity*; when a state resorted to severe violence in an attempt to manage its crisis, and the U.N. remained aloof, the crisis was likely to terminate without agreement. The higher the level of U.N. involvement in a crisis, the greater the tendency toward agreement.
- *Involvement of superpowers prolonged crises, as did involvement by the U.N.*; when left alone, crises among non-superpowers tended to be short. When a superpower intervened, it extended the duration of the crisis; U.N. mediation had the same effect.
- *The U.N. has been unfairly maligned*; whenever the U.N. became intensely involved in a crisis, the parties reached a formal or semi-formal agreement.

We have attempted to demonstrate the richness of the ICB data set currently being assembled, and its potential for contributing to our systematic understanding of international crisis and all it entails. Further conceptual and empirical work will shed light on additional aspects of this pervasive phenomenon in world politics. Our goal is to pursue these paths in search of patterns of crises during the half-century spanned by the years 1930 to 1980.

Appendix

Variables of a Research Framework on International Crisis
(with examples from CRISBANK, the ICB data set)

Actor Attributes

AGE

The date of independence—that is, the year when the crisis actor first became an autonomous entity in the modern international system (post-1500), with continuous existence as a sovereign state—indicates the age of the actor. All actors are placed into one of the following blocks of time:

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pre-1648	(France, Russia, United Kingdom)
1648–1814	(the Netherlands)
1815–1919	(Belgium, Greece)
1920–1945	(Hungary, Czechoslovakia)
1946–1957	(Burma, Ceylon, India, Pakistan)
post-1957	(most African states)

TERRITORY

The size of an international actor—ranging from large land-mass states, such as the Soviet Union, China, and the United States, to the island states of the Caribbean and the Indian Ocean—is relevant to its capacity to cope with crisis, to its behavior, and to the crisis outcome. So, too, is the number of the borders of any member of the international system, ranging from none (island states) to many (Austria, Afghanistan, Nepal). A third relevant territorial attribute is distance of a crisis actor from the border of major powers or superpowers (Poland during most of its history as an independent state). Thus, data on territorial size, number of borders, and borders with major powers or superpowers are gathered for every crisis actor at the beginning of its crisis.

POLITICAL REGIME

A political regime may be described by its type or its duration. A crisis actor is placed into one of five regime types:
democratic—competitive elections, more than one center of authority in the political system, more than one autonomous political party, free press (Canada; France; India, 1947; Israel, 1948; Japan, 1952; United States);
civil authoritarian—absence of (or severe limitation on) the democratic features noted above, along with the absence of a military center of authority (Iran; Philippines from 1974; Saudi Arabia; Soviet Union);
direct military—armed forces exercise direct political control (Pakistan, 1958-1971; Syria, 1949-1951; Turkey from 1980);
indirect military—armed forces determine policy but act through a subordinate civilian government (Argentina 1959-1962; Cuba 1933-1940);
dual authority—regime rests on the armed forces and a civilian party, organization, or group, with the ruler as leader of both pillars of authority (Perón's Argentina, 1945-1955; Franco's Spain, 1939-1976).

The duration of a regime records the age of a crisis actor's political authority at the time of the crisis under inquiry. It is determined by any of the following indicators of regime change: transfer of power from army to civilian rule (Nigeria, 1979) and vice versa, by coup, revolution, and so forth (Turkey, 1980); a qualitatively new constitution (Fifth Republic of France, 1958); a change of authoritarian leadership (the U.S.S.R., 1953 and 1964). Thus, for France in the 1956 Middle East Crisis, duration of regime is coded 10, referring to the years of its existence since the establishment of the Fourth Republic in 1946. Similarly, the regime in Pakistan at the time of its 1965 Kashmir Crisis with India is coded 7, referring to the assumption of power by Ayub Khan in 1958. The Turkish regime at the time of the Cyprus

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Crisis in 1964 is coded 3, referring to the shift from a military regime to democracy in 1961.

CAPABILITY (discussed on pages 393 to 395 of the text).

VALUES

The *gravity of a threat to values* is coded along a nominal scale, in search of the gravest threat perceived by the decision maker(s) of the crisis actor:
threat to existence—genocide, or threat to existence of entity, through total annexation, colonial rule, occupation (Israel in the 1967 Crisis);
threat of grave damage—large casualties in war, mass bombings (Egypt in the 1969–1970 War of Attrition);
threat to influence in international system—declining influence in global and/or regional systems, diplomatic isolation, cessation of patron aid (U.S. and U.K. in the 1945–1946 Iran/Azerbaijan Crisis);
threat of loss of colonial territory (the Dutch East Indies in the Netherlands-Indonesia Crises 1945-1949);
threat to territorial integrity—integration, annexation of part of a state's territory, separatism (Iran and Iraq in the 1959–1960 and 1980 Shatt al-Arab Crises);
threat to political system—overthrow of regime, change of institutions, replacement of elite, intervention in domestic politics, subversion (Congo/Zaire in the 1964 Stanleyville Crisis);
threat to economic interests—integration of economies, control by another actor's economy, requisition of resources, loss of markets, blocked access to resources or markets (U.K. in 1961 Kuwait Crisis);
threat (limited) to population and property (Algeria and Morocco in their 1963 border clashes).

Research on the superpowers from 1945 to 1975 revealed that decline of influence in the international system was the gravest perceived value threat in almost all of the 59 U.S. and U.S.S.R. actor-cases (Wilkenfeld and Brecher, fn. 50). In search of the *value threatened*, we used the following nominal scale, from most to least grave:
adverse change in global military balance between the superpowers (U.S.S.R. in Cuba, 1962);
decline in superpower's influence within its bloc (U.S.S.R. in Hungary, 1956);
decline in influence with non-bloc client state (U.S.S.R. in Egypt, 1970);
decline in influence with nonaligned group (U.S. in Congo, 1964);
decline in influence within adversary bloc (U.S. in the Tet Offensive, 1968);
not a threat to influence.

Issues are closely related to threatened values; four issue-areas are identified:
military-security—territories, borders, access to the sea, free navigation, irredentism, change in the military balance, military incidents, war (Sudan's crisis arising from Egypt's territorial claims, 1958);
political-diplomatic—sovereignty, hegemony, international status, change in

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the international system, colonialism, cold war (Nicaragua's crisis with Honduras, 1957);
economic-developmental—property, raw material resources, oil, economic recession, economic pressure, currency problems (Netherlands in the West Irian Crisis with Indonesia, 1961);
cultural-status—ideology, threat to non-material values, internal problems, state of regime, population problems (Poland's crisis with U.S.S.R., 1956).

System Characteristics

Crisis actors are bounded by several system characteristics which provide a context as well as a set of opportunities and constraints. These include the geographic location of a crisis and the number of states in the global and/or regional systems at the time of a crisis. The most important system characteristics are the structure of the international system, its alliance configuration, and its stability when a crisis occurs.

STRUCTURE (discussed on pages 395 to 396 of the text).

ALLIANCE CONFIGURATION

For our purposes, alliance configuration refers to formal alignments in the global system involving superpowers (or, between 1930 and 1939, great powers).
For the 1945-1975 era, three alignment patterns are evident:
1945-1949—no formal superpower alliances, although strong alliance-type links existed between the U.S. and the U.S.S.R. and their clients, in Western and Eastern Europe, respectively;
1949-1955—one superpower alliance in global politics (NATO);
1955-1975—two superpower alliances in global politics (NATO, Warsaw Treaty Organization), both enlarging their geographic scope over the years.

We plan to explore the interactive effects of any alliance configuration on the relationship between a specific actor attribute and one or another crisis dimension. Thus, for example, the 1945–1946 Iran Crisis occurred in the absence of any superpower alliance; the Korean War, 1950–1953, took place in a setting of one formal global alliance, and the 1955–1956 Sinai-Suez Crisis—and all subsequent international crises—were bounded and undoubtedly affected by the existence of two hostile global alliances led by the superpowers. Cohesion varied in both alliances over time, but that dimension is not incorporated in the framework.

STABILITY

For any specific actor-case, stability is measured by the number of crisis days in the international system during the 12 months prior to the trigger of the crisis. Thus, the larger the number of actor-cases in any period, and the longer the duration of these cases, the less stable the international context in which a particular crisis is occurring. To arrive at the number of crisis days, we introduce a weighting scheme that is based on the relative power of the crisis actors involved in crises during the previous 12 months—

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i.e., super, major, middle, small, mini. Furthermore, the relative weight for each power rank will evolve over time. Thus, the gap between the weight assigned to a superpower relative to all other categories will be less in the 1945–1952 period of embryonic nuclear weapons than in the 1960s and beyond, when the superpowers developed overwhelming nuclear capability.

Crisis Dimensions

The dimensions of international crisis which we seek to explain were listed earlier as trigger, actor behavior, superpower activity, role of international organizations, outcome, and consequences.

TRIGGER

As a catalyst to perceptions of threat, time pressure, and likelihood of military hostilities, the trigger is often difficult to discover. Where it is not easily identifiable, an attempt is made to trace it through the decision makers' articulated expressions, in memoirs, speeches, documents, and so forth. The trigger is coded for each actor-case as one of the following:

external verbal act(s)—protests, threats, accusations, demands, declarations (the announcement by the Government of Pakistan in March 1949 of its intent to integrate all four provinces of West Pakistan, including the Pathan-inhabited North West Frontier Province, into one unit, thus triggering a crisis for Afghanistan);

external political act(s)—subversion, alliance of adversaries, diplomatic sanctions, severance of diplomatic relations, violation of treaties (the accession to Pakistan by the Muslim ruler of the princely state of Junagadh on August 17, 1947, triggering a crisis for India);

external economic act(s)—blockade, embargo, dumping, nationalization of property, withholding of economic aid (Egypt's nationalization of the Suez Canal on July 26, 1956, triggering a crisis for France and the U.K.);

external nonviolent military act(s)—show of force, war games or maneuvers, mobilization, movement of forces, change of force posture to offensive (the arrival of Yugoslavian forces in Trieste on May 1, 1945, with the threat of annexation, triggering a crisis for the U.K. and the U.S.);

external indirect violent military act(s)—revolt in another country, violence against a client state (Israel's invasion of Syria on June 9, 1967, during the Six-Day War, triggering a crisis for the U.S.S.R.);

external violent military act(s)—border clashes, border-crossing by limited forces, invasion of air space, sinking of ships, sea-air incidents, bombing of large targets, large-scale military attack (the shelling of Quemoy and Matsu by the P.R.C. beginning September 3, 1954, triggering a crisis for the Republic of China on Taiwan);

external political change—in the global system or regional subsystem (Gomulka's return to power in Poland on October 9, 1956, triggering a crisis for the U.S.S.R.);

external nonviolent military change—in specific weapons systems, offensive capability, intelligence reports (the delivery of four F-51 Mustangs from the United States to Costa Rica on January 16, 1955, following the OAS Council's decision in favor of Costa Rica, triggering a crisis for Nicaragua);

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internal verbal challenge to regime or elite—incitement by media, proclamation of new regime (the proclamation of the People's Republic of China on October 1, 1949, triggering a crisis for the Republic of China on Taiwan); *internal physical challenge to regime or elite*—fall of government, coup d'état, sabotage, terrorism, assassinations, riots, demonstrations, strikes, arrests, martial law, executions, mutiny, revolt (casualties among anti-U.S. demonstrators caused by American forces based in the Panama Canal Zone on January 9, 1964, triggering a crisis for Panama).

The *triggering entity* (source) is usually a state, but occasionally it can be traced to internal developments within the crisis actor (Lebanon Civil War, 1975). It may be a non-state actor such as the U.N., a regional organization, OPEC, or the P.L.O. (Black September Crisis for Jordan, 1979). Alternatively, it may be an event involving more than one state—for instance, a military alliance or an arms flow directed against the crisis actor (Soviet/Czech arms supply agreement with Egypt and Syria in September 1955, as a trigger for Israel in the Sinai-Suez Crisis).

ACTOR BEHAVIOR

Four components of crisis management are identified: major response, techniques, and the extent and severity of violence.

The *major response* of the crisis actor is coded from the least to the most conflictual:
compliance (the acceptance by Czechoslovakia's President Svoboda on August 21, 1968, of a summons to Moscow to negotiate the end of the Prague Spring Crisis);
verbal act (the declaration by Indonesia on September 16, 1963, that it would not recognize the newly established Federation of Malaysia);
political act (the decision by the Dalai Lama's Council on March 17, 1959, that he should flee from Tibet to India);
economic act (U.S. action in the U.S.S.R./Greece/Turkey Crisis of 1947);
nonviolent military act (the arrival in Goa of Portugal's Chief of Army Staff on August 12, 1955, to inspect Portuguese forces stationed on the Goa-India border);
violent military act (Belgium's dispatch of paratroops to Stanleyville, Zaire, on November 22, 1964);
multiple response (Egypt's appeal to the U.K. on December 25, 1948, to request a Security Council decision calling for Israel's withdrawal of forces from Sinai, along with Egypt's attempt to rally support from all member-states of the Arab League.

Techniques of crisis management are coded from the least to the most accommodative:
violence (the Soviet Union's use of violence in the Hungarian Crisis, 1956);
multiple, including violence (the Republic of China's use of air strikes against the mainland, and its signing of a defense treaty with the U.S. on

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December 2, 1955, as methods of managing the Taiwan Straits Crisis with the P.R.C.);
nonviolent military—threat to use physical violence, for example maneuvers or redisposition of forces; or verbal techniques, such as statements by authorized leaders (Yugoslavia's placing of its armed forces on alert and the holding of army maneuvers along its border to cope with a crisis with the U.S.S.R., 1949);
nonmilitary pressure—withholding of military or economic aid (the U.S. threat on November 7, 1956, at the height of the Sinai-Suez Crisis, to cease aid to Israel);
mediation—by global or regional organization, ally, or alliance personnel (Costa Rica's request for OAS mediation of the 1955 crisis with Nicaragua);
negotiation—formal or informal; bilateral, multilateral, or international; diplomatic exchanges (the summit meeting of Egypt, Iraq, Jordan, Lebanon, and Syria on December 8, 1947, to manage their crisis arising from the U.N. General Assembly's partition resolution of November 29 concerning Israel and Palestine);
multiple, not including violence (the blocking of Western transportation to and from Berlin by the U.S.S.R. in 1948, while holding talks with the U.S., France, and the U.K.);
adjudication or arbitration (an agreement by Honduras and Nicaragua to submit a border dispute to the binding jurisdiction of the International Court of Justice, 1957).

Violence, as a crisis management technique, is coded along two dimensions—extent and severity.

Extent of violence is ranked from the least to the most extensive:
no violence (Israel and its four Arab neighbors, Egypt, Jordan, Lebanon, and Syria, did not resort to violence in managing their 1964 crisis over the distribution of Jordan waters);
marginal (Cyprus's primary emphasis on diplomatic activity, through the U.N. and NATO, with a marginal resort to violence, in its 1963–1964 crisis with Turkey);
important, but supported by other techniques (Indonesia's use of violence and negotiation in its 1948 crisis with the Netherlands);
pre-eminent (India's management of its Hyderabad Crisis, 1947).

Severity of Violence is coded from the least to the most intense:
minor clashes involving few or no deaths or injuries (between Haiti and Cuba-supported exiles, 1959);
serious clashes short of full-scale war (Belgium's resort to large-scale military intervention during the Congo Crisis, 1960);
full-scale war (India and Pakistan in their Bangladesh Crisis, 1971).

SUPERPOWER ACTIVITY

Intervention by superpowers in other states' crises incorporates four components: content, effectiveness, pace of abatement, and actor perception.

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Content is coded as *noninvolvement* or one of the following forms of *involvement*, from the least to the most intense:
political (President Kennedy's dispatch of a special envoy in an effort to restore disrupted transit and trade between Afghanistan and Pakistan, 1961; Soviet Premier Bulganin's threatening message to Prime Minister Ben Gurion at the height of the Sinai-Suez Crisis, 1956, demanding a commitment to withdraw Israel's forces to the 1949 armistice lines);
economic—financial aid or withholding of aid (the U.S. suspension of economic aid to Indonesia as a sanction against Sukarno's policy toward Malaysia, during the 1963 Malaysia-Indonesia Crisis; an economic and technical aid agreement between the U.S.S.R. and Afghanistan during the latter's 1961 crisis with Pakistan);
semi-military—the dispatch of military aid or advisors, without participation in the fighting (the U.S. airlift of military aid to India in November 1962, during its border war with China; the Soviet dispatch of military support to the Stanleyville rebel group in the Congo Crisis, 1964);
direct military intervention (the U.S. invasion of Cambodia, April 1970; the U.S.S.R. invasion of Czechoslovakia, August 1968).

Effectiveness of superpower activity, in terms of crisis abatement, varies from the most to the least effective:
single most important contributor (U.S. dispatch of units of the 7th Fleet into the Taiwan Straits on August 27, 1958, to deter the P.R.C. from invading Quemoy and Matsu, a crucial act in abating the crisis for the Republic of China; the decisive role of the U.S.S.R. in abating Syria's 1957 crisis with Turkey by issuing strong warnings at the U.N.);
important contributor, along with other actions (U.S. indirect semi-military aid to Thailand in abating its crisis arising from the Vietcong-aided Pathet Lao offensive in Laos near the Thai border, spring 1961; the U.S.S.R. semi-military intervention in support of Egypt and Syria in the 1973 Middle East War);
marginal contributor (the U.S. expression of concern but refusal to take sides in the Israeli-Arab crisis over the waters of the Jordan, 1964; Soviet political intervention with Syria in the Black September Crisis, 1970);
non-contributor (U.S. inactivity in the Ussuri River Crisis between China and the U.S.S.R., 1969; Soviet inactivity in the Taiwan Straits Crisis, 1954–1955);
contributor to escalation of crisis (the crossing of the 38th Parallel in Korea by U.S.-led U.N. forces in October 1950, bringing on the involvement of P.R.C. "volunteers" in the Korean War; U.S.S.R. military backing for the Tudeh Party, along with its unwillingness to evacuate Azerbaijan, causing a major escalation in the Iran Crisis, 1945–1946).

Pace of abatement resulting from a superpower's contribution to other states' crises is indicated as:
more rapid termination (U.S. support for King Hussein, including authorization of Israel's military intervention against Syria, if necessary, thereby helping to terminate Jordan's Black September Crisis in 1970; massive So-

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viet political pressure on Israel in November 1956, leading to the more rapid termination of Egypt's Sinai Crisis);
no effect on timing of termination (U.S. propaganda in Poland's 1956 crisis; limited Soviet political support for Indonesia during the crisis over the formation of the Federation of Malaysia, 1963);
delay in termination (U.S. pressure against Israel's pre-emptive strike prior to the Six-Day War, June 1967; Soviet military aid to rebels in the Congo Crisis, 1964).

Perception of superpower activity by a crisis actor is designated as:
favorable (U.S. activity in the crisis arising from Egyptian support for internal Jordanian dissent, 1957, by Jordan; Soviet activity in the Korean War, 1950, by North Korea);
neutral or irrelevant (the U.S. in the Sahara Crisis, 1975, by Spain; Soviet political involvement in the 1963-1964 Cyprus Crisis, by Greece);
unfavorable (U.S. dispatch of troops to Trieste, 1945, by Yugoslavia; active Soviet support for Egypt and Syria in the Middle East Crisis, 1973, by Israel).

Perception of superpower inactivity by a crisis actor is coded identically:
favorable (the U.S. in the Indonesia-Malaysia Crisis, 1963, by Indonesia; the U.S.S.R. in the Iraq-Kuwait Crisis, 1961, by Kuwait and the U.K.);
neutral or irrelevant (the U.S. in the Tanzania-Uganda Crisis, 1971, by both crisis actors; the U.S.S.R. in the Algeria-Morocco Crisis, 1963, by both crisis actors);
unfavorable (the U.S. in the Dominican Republic-Guatemala Crisis, 1947, by the Dominican Republic; Soviet behavior in the Federation of Malaysia Crisis, 1963, by Indonesia).

ROLE OF INTERNATIONAL ORGANIZATIONS (IOs)

The IOs' role in crisis management refers both to the U.N. and to the relevant regional or security organizations. There are five components for each: content, effectiveness, pace of abatement, actor perception, and actor initiation.

The *most important U.N. organ* active in a crisis may be the:

Security Council	(1947–1948 India-Pakistan Crisis)
General Assembly	(1956 Sinai-Suez Crisis)
Secretary-General	(1960 Congo Crisis).

The relevant *regional/security organizations* are:

LAS	(Jordan's Black September Crisis, 1970)
NATO	(Cyprus, 1964)
OAS	(Guatemala, 1954)
OAU	(Congo, 1964)
SEATO	(Laos, 1961)
WTO	(Czechoslovakia, 1968).

The *content* of the role of IOs takes many forms, from the least to the most active:

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fact-finding (by the OAS in the 1959-1960 crises for the Dominican Republic, Guatemala, Haiti, Nicaragua, and Panama, arising from Cuba-supported invasions);
discussion without resolution (at the U.N. Security Council in the Sudan Crisis over Egypt's territorial claims, 1958);
resolution without provision for action (by the U.N. in the Indonesia-Netherlands Decolonization Crisis, 1948-1949; by NATO in the Cyprus Crisis, 1964);
good offices (the U.N. in the West Irian Crisis, 1961);
resolution authorizing member action (the U.N. Security Council and General Assembly calls for sanctions against North Korea and China in June 1950 and January 1951; the League of Arab States (LAS) resolution authorizing members to take action against Israel following its Kibya raid, October 1953);
mediation (the U.N. Secretary General in the Cuban Missile Crisis, 1962);
arbitration
adjudication
observer forces (from the U.N., in Lebanon's Civil War Crisis, 1958);
sanctions (by the W.T.O. against Yugoslavia in its confrontation with Soviet-bloc states, 1949);
emergency military forces (from the U.N. in the Sinai-Suez Crisis, 1956; from the LAS, a Syria-dominated peace-keeping force in the Lebanon Crisis, 1975–1976).

Effectiveness of IOs in abating a crisis is coded as:
single most important contributor (the OAS in the Costa Rica-Nicaragua Crisis, 1955);
important contributor, along with other actions (the U.N. Security Council in the India-Pakistan Crisis, 1965; the OAS in 1959–1960 crises for several states arising from Cuba-supported invasions);
marginal contributor (the U.N. Security Council in the Middle East Crisis, 1973; NATO in the Cyprus Crisis, 1964);
non-contributor (the U.N. Secretary General in the 1972 North Vietnam Crisis arising from the U.S. mining of ports; CENTO and SEATO in the India-Pakistan Crisis, 1965);
contributor to escalation of crisis (the U.N. Secretary General in the 1967 Middle East Crisis; the W.T.O. in Yugoslavia's 1949 crisis).

The role of IOs in the *pace of abatement* is coded as follows:
more rapid termination (the U.N. Security Council in the Iranian Crisis, 1945–1946; the OAS in the Panama Crisis, 1964);
no effect on timing of termination (the U.N. General Assembly in the Yugoslav crisis with Soviet bloc states, 1949; the OAU in the Algeria-Morocco Crisis, 1963);
delay in termination (the U.N. Security Council in the Korean War, 1950; the LAS role in the Lebanon Crisis, 1958).

Perception of IO activity by a crisis actor is designated as:
favorable (the U.N. Security Council in the Guatemala Crisis, 1954, by

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Honduras and the U.S.; the LAS role in the Tel Mutilla Crisis, 1951, by Syria);
neutral or irrelevant (the U.N. Security Council in the Trieste Crisis, 1953, by both Italy and Yugoslavia; the OAU in the Algeria-Morocco Crisis, 1963, by both actors);
unfavorable (the ILO's rejection of Egyptian allegations of forced labor in the Suez Canal Crisis, 1951–1952, by Egypt; SEATO's role in the India-Pakistan Crisis, 1965, by Pakistan).

Perception of IO inactivity by a crisis actor is coded identically:
favorable (the U.N. in the Tibet Crisis, 1959, by China);
neutral or irrelevant (the U.N. in Jordan's 1957 internal dissent crisis, 1957, by Jordan; the LAS in the Middle East Crisis, 1948, by Egypt);
unfavorable (NATO in the Goa Crisis, 1961, by Portugal).

OUTCOME (discussed on pages 396 to 398 of the text).

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Review Articles

THE FORMATION OF SOVIET FOREIGN POLICY: Organizational and Cognitive Perspectives

By ROBERT M. CUTLER*

Jiri Valenta, *Soviet Intervention in Czechoslovakia, 1968: Anatomy of a Decision*. Baltimore: The Johns Hopkins University Press, 1979, 208 pp., $12.95 ($5.95 paper).

Oded Eran, *The Mezhdunarodniki: An Assessment of Professional Expertise in the Making of Soviet Foreign Policy*. Jerusalem: Turtledove Publishing, 1979, 331 pp.; distributed in the U.S. by the Institute for the Study of Human Issues, Philadelphia, $18.50.

Karl F. Spielmann, *Analyzing Soviet Strategic Arms Decisions*. Boulder, Colo.: Westview Press, 1978, 184 pp., $19.00.

Ilana Kass, *Soviet Involvement in the Middle East: Policy Formulation, 1966-1973*. Boulder, Colo.: Westview Press, 1978, 273 pp., $24.00.

Dina Rome Spechler, *Domestic Influences on Soviet Foreign Policy*. Washington, D.C.: University Press of America, 1978, 96 pp., $6.50 (paper).

Christer Jönsson, *Soviet Bargaining Behavior: The Nuclear Test Ban Case*. New York: Columbia University Press, 1979, 266 pp., $13.50.

I. Introduction: A Cybernetic Approach

DURING the past decade much attention has been given, in studies of Soviet foreign policy formation, to institutions and processes on the one hand and to beliefs on the other. Theoretical advances in the social sciences have provided each of these two concerns with a coherent—albeit unsystematically applied—framework. Studies concerned with institutions and processes have been informed, to varying degrees, by organization theory; those concerned with beliefs have used insights from cognitive theory. Although neither of these frameworks is fully developed in its application to the analysis of Soviet foreign policy formation, the outline of the approach that is defined by their joint focus can be discerned.

The principal concern of both organization theory and cognitive

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theory is information processing. Organization theory and cognitive theory are, respectively, the structural and behavioral aspects of the processing of information by persons. If we call their combined application a cybernetic approach, we direct attention to what happens to information during the various stages of decision making that lie between cognition (of a situation abroad) and choice (of an action or policy in response to that situation).

The cybernetic approach, in its most abstract expression, comprises norms, structures, and behavior. Soviet foreign policy *behavior* is seen as the output of a system that processes information on the international situation. The analyst attempts to explain that behavior on the basis of the system's *structures*, which transform such information according to sets of *norms*. Intrapersonal structures transform information according to cognitive norms; interpersonal structures transform information according to organizational norms. Two sorts of organizational norms may be distinguished. If the organization involved is formal, the norms are institutional; if it is informal, the norms are noninstitutional. The cybernetic analyst, having a general understanding of the intrapersonal and interpersonal structures through which information passes, attempts, by following its transformations, to infer the particular cognitive and organizational norms that animate those structures.

Six recent monographs on Soviet foreign policy formation are reviewed here with an eye to determining their contribution to the study of cognitive and organizational issues.[1] These issues are inseparable in practice, because intrapersonal and interpersonal information-processing structures are not mutually independent (i.e., "where you stand depends on where you sit"). In the second section of this article, we shall discuss both sorts of issues, paying special attention to the question of relating cognitive methods of analysis to particular conceptualizations of Soviet foreign policy formation. At the same time, we shall examine what progress has been made toward applying an organizational process approach to the analysis of Soviet foreign policy formation; for despite Valenta's success in using the bureaucratic politics

[1] Seweryn Bialer, ed., *The Domestic Context of Soviet Foreign Policy* (Boulder, Colo.: Westview Press, 1981), was received too late to be included for review in this article. The volume should be consulted by anyone seriously interested in the subject. Although none of its constituent chapters can properly be called a case study of Soviet foreign policy formation, it is the best survey currently available of the domestic aspects involved. The factors covered range from demographic trends (Warren W. Eason) to Eastern Europe as an "internal determinant" of Soviet foreign policy (Andrzej Korbonski). The contributions are coherently interrelated, but the contributors do not always agree about everything. The book is richer for these differences.

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approach, it is as true today as it was in 1973 that "the literature [contains] no full-fledged attempt and few partial efforts to apply the [organizational process] approach to Soviet decision making."[2]

In the third section, organizational issues are addressed with special reference to questions of inference in traditional (Kremlinological) methods of Soviet policy-making analysis. The items under review exemplify some of the difficulties of applying such techniques under present-day conditions of Soviet organizational complexity. We shall discuss the overlap between the organizations that make Soviet propaganda and those that form Soviet foreign policy, and specify the implications of this overlap for the application of inferential techniques.

In the concluding section we delineate the significance of cognitive and organizational studies for general conceptualizations of how the Soviet system works, and discuss the place of such studies in cumulative knowledge about the Soviet Union.

II. The Cognitions of Organizations and the Organization of Cognitions

In recent years, organizational aspects of Soviet foreign policy formation have been investigated more systematically than cognitive aspects. That is partly the result of Graham T. Allison's research, which provides a coherent framework for investigating organizational aspects of decision making, both formal and informal.[3] No comparably unified approach to the investigation of its cognitive aspects has yet been elaborated.

Valenta's main analytical tool is the bureaucratic politics approach, which he combines skillfully with the organizational process approach. He infers the interest of an organization from the mission that it is supposed to perform,[4] and he evaluates possible policy decisions in terms of "payoffs" related to that mission. Because Valenta uses the term "payoff" also in reference to the potential gains or losses to intra-elite coalitions, he is able to treat functional bureaucracies (*apparaty*) both as organizational actors and as organizational resources for members of the elite (pp. 20, 22, 27, 78-82, 108, 114, 155). His use of the organizational process approach is at its most continuous, con-

[2] Arnold L. Horelick, A. Ross Johnson, and John D. Steinbruner, *The Study of Soviet Foreign Policy: A Review of Decision-Theory-Related Approaches*, Report R-1334 (Santa Monica: Rand Corporation, December 1973), 37.

[3] Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971).

[4] Compare Lawrence B. Mohr, "The Concept of Organizational Goal," *American Political Science Review*, Vol. 67 (June 1973), 470-81.

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sistent, and constructive in the analysis of events falling between the Bratislava Conference on August 3, and the Soviet intervention, on August 21, 1968. He illustrates how pressure for intervention came from some bureaucrats responsible for ideological affairs,[5] from Ukrainian party officials and the K.G.B., from some segments of the armed forces, and from some East European leaders (pp. 97-118). The most noticeable lacuna in this otherwise lucid analysis is that the organizational pressures treated are almost exclusively *for* intervention (see also pp. 32-33, 63). They are probably easier to detect than organizational pressures *against* intervention, which have the advantage of standard operating procedures and bureaucratic inertia. Valenta limits his treatment of routine operations in Soviet foreign policy formulation to the important issue of gathering and evaluating information (pp. 123-26, 155-57).

Valenta's application of the bureaucratic politics approach is straightforward; he draws heavily on memoirs and interviews and puts the information contained in them into a systematic analytical framework. He concludes that, when this approach is tailored to Soviet conditions, it "elucidates the importance of the players' perceived payoffs, the coalition politics and organizational maneuvering, and the silent bargaining among top bureaucrats"; coalitions in Soviet politics "seem to be loose, issue-oriented, heterogeneous alliances of convenience among subgroups for a temporary common purpose" (pp. 155, 17).[6] The latter observation may apply more to the ruling elite than to organizations as actors. On several occasions, Valenta refers to Soviet decision makers as "uncommitted thinkers" (pp. 7-9, 157). This term is taken from the work of John D. Steinbruner, who distinguishes among grooved, uncommitted, and theoretical thinkers.[7] The distinction is

[5] Indeed, one of the more surprising findings is that the ideologist Suslov, who is almost invariably and with good reason considered a hardliner, did not like the idea of intervention because he thought it would disrupt the World Communist Conference (held in Moscow in 1969); he had the responsibility of planning the conference.

[6] See also Jiri Valenta, "The Bureaucratic Politics Paradigm and the Soviet Invasion of Czechoslovakia," *Political Science Quarterly*, Vol. 94 (Spring 1979), 55-76. Another point of view is expressed by Karen Dawisha, "The Limits of the Bureaucratic Politics Model: Observations on the Soviet Case," *Studies in Comparative Communism*, XIII (Winter 1980), 300-326. Dawisha's principal contribution is to point out the informal organizational structures that figure in Soviet foreign policy formation; see the comments on her article by Allison, Eidlin, and Valenta, and Dawisha's rejoinder, *ibid.*, 327-46.

[7] Steinbruner, *The Cybernetic Theory of Decision: New Dimensions of Political Analysis* (Princeton: Princeton University Press, 1974), esp. 125-35. Steinbruner's sometimes difficult reasoning is clarified in Robert M. Cutler, "Decision Making in International Relations: The Cybernetic Theory Reconsidered," *Michigan Journal of Political Science*, 1 (Fall 1981), 57-63.

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useful because it associates the level of abstraction predominant in the thinker's mind with his or her organizational position. In Steinbruner's framework, specialist policy advisors would be called theoretical thinkers.

Eran's volume is essentially an institutional history of the role of research organizations and researchers in Soviet foreign policy formation. His overall historical analysis is animated by a market metaphor of supply and demand: the government and party bureaucracies are consumers of such services as personnel training, ideological legitimation, and information gathering and processing, and the research institutes are the suppliers. The last part of the book (pp. 227-76) describes the proliferation of such institutes since Khrushchev, notes their various fields of specialization, and briefly discusses their increasing functional differentiation. Eran gives the reader more than just a history, however, for he includes a long and sensitive analysis of the "debate on bourgeois nationalism and revolutionary democracy" that took place between the Institute of the Peoples of Asia and the Institute of World Economics and International Relations from 1956 to 1964 (pp. 161-222). Khrushchev's policy toward the Third World was the issue under dispute at a time when the Soviet Union had not chosen between local communist parties and national regimes that were anti-imperialist but not socialist. Eran successfully demonstrates the existence of informal organizational links between the debate that was going on in the research community and the conflict within the party elite. The institutes became, in effect, formal organizational resources to be marshaled on one side or the other of the dispute.

Spielmann, without offering a detailed case study, attempts to elaborate a new analytical framework tailored to the investigation of how Soviet leaders decide which strategic arms systems to construct. He suggests that the organizational process and bureaucratic politics approaches may be collapsed into a single category of "pluralistic" decision making when they are applied to the Soviet Union, and that the rational actor approach falls within the framework of the "totalitarian" perspective on the Soviet system. Against the pluralistic and totalitarian points of view, Spielmann posits a "national leadership decision making perspective" that would "[focus] on the Soviet leaders, not just as strategic [rational actor] calculators, not just as individuals who might succumb to constituent [pluralistic] pressures, but as leaders who have a country to run" and who may bring other considerations to bear on defense decisions (p. 124). Thus, analysts of Soviet strategic arms decisions should not ignore budgetary trade-offs which leaders

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must make between defense and non-defense sectors, or the effects of patronage on resource allocation. But Spielmann's only discussion of how this perspective might be used in a particular case—Khrushchev's decision on the SS-6 system—is too brief to illustrate the putative advantages of this approach convincingly (pp. 124-34). It is probable that the two pluralistic approaches, separately applied, will be more productive than the national leadership approach. Spielmann does not suggest that this last should supplant the former two, but rather that it complement them; and to the degree that "the nature of the data should determine [which] decision making approaches [are used]" (p. 9), it may be useful for strategic studies. In this connection, his chapter on the data problem is noteworthy for its direct and frank criticism of the use and nonuse of data in his field (pp. 93-108), although it contains disappointingly little on the issue of inference (but see pp. 146-47, nn. 6-8, and p. 167, n. 4).

While Jerry F. Hough's concept of institutional pluralism[8] has drawn attention to organizations other than the party, it has led to a discounting of the importance of the party in studies of Soviet policy making. Spielmann's "national leadership" approach reasserts, if only indirectly, the primacy of the party in such matters. Kass also tries to go beyond institutional pluralism, but in a different direction. She finds that each press organ expresses only one point of view, but concludes that the bureaucracy to which the organ is attached cannot be unitary; thus, the publication presents the views of only the group "in ascendance" within the organization (pp. 213-35). This guess is plausible, but it is logically unconnected with her analysis and has no empirical basis in her study. Likewise, her conclusion that there exists a Soviet military-industrial complex—while quite possibly correct—is drawn unsystematically and presented in ways that will be familiar to many readers.[9]

One of Kass's problems is that she does not distinguish between two levels of abstraction on the part of Soviet policy makers: general philosophical attitudes and specific policy positions. This lack of distinction

[8] Hough, "The Soviet System: Petrification or Pluralism?" *Problems of Communism*, XXI (March-April 1972), 25-45; reprinted in Hough, *The Soviet Union and Social Science Theory* (Cambridge: Harvard University Press, 1977), 19-48.

[9] Compare, for example, Kass, pp. 223-25, and Vernon V. Aspaturian, "The Soviet Military-Industrial Complex: Does It Exist?" *Journal of International Affairs*, XXVI (No. 1, 1972), 3, 14-15; Kass, p. 3, and H. Gordon Skilling, "Interest Groups and Communist Politics: An Introduction," in Skilling and Franklyn Griffiths, ed., *Interest Groups in Soviet Politics* (Princeton: Princeton University Press, 1971), 3, 8; Kass, pp. 1-2, and William Zimmerman, "Elite Perspectives and the Explanation of Soviet Foreign Policy," *Journal of International Affairs*, XXIV (No. 1, 1970), 84-85.

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is the source of much confusion among many analysts of Soviet foreign policy formation. Spechler encounters the problem when she addresses empirically the question of the existence of a Soviet military-industrial complex. Among the six central publications in the Soviet Union, she detects four elite opinion groups, each of which "appears to formulate its Middle Eastern policy [on the basis of] its image of and attitude toward the West, most importantly, the United States, and its vision of the future of U.S.-Soviet relations" (pp. 63-64). When the government and military newspapers display divergent concepts of these images, Spechler concludes that she has no evidence to confirm the existence of a Soviet military-industrial complex. Nevertheless, when she discusses the four elite opinion groups in detail, spelling out the *policy significance* of their general attitudes, she does see a potential community of interest on the specific issue of arms sales among some organizations in the government and military bureaucracies (pp. 64-70, esp. p. 67).

Jönsson, in his case study of Soviet behavior during the nuclear test ban negotiations with the United States, describes an unambiguous correspondence between general attitudes and specific policy positions: the general attitude is based on the image of the United States, and the specific policy issue is whether to sign a treaty with Washington. By examining the shifting balance of images among domestic Soviet actors (as well as in the Sino-Soviet dyad), Jönsson establishes a contrast with traditional game theory. Whereas the latter "tends to postulate an objective reality," his approach "assumes multiple subjective realities" and so "represents . . . a substitution of 'psycho-logic' for pure logic" (pp. 12-13). Spielmann suggests elements of an organizational approach to the formulation of Soviet strategic policy; Jönsson provides a cognitive perspective on the matter. In the process, he applies a *qualitative* game-theoretic framework, making useful empirical distinctions among subgames, supergames, and auxiliary games (pp. 7-12, 38, 51-53, 74-76, 135-36). On the question of a Soviet military-industrial complex, Jönsson concludes that the Soviet military was internally unified on the issue of negotiating the Nuclear Test Ban Treaty, and that "[d]ata on the views of industrial managers are inconclusive but suggest orthodox leanings on the part of heavy industry" (p. 206).

A distinction between general philosophical attitudes and particular policy preferences will contribute to eliminating the confusion between the "interest group" and "tendency of articulation" approaches to Soviet foreign policy formation. The interest-group approach was intro-

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duced into the study of Soviet politics in response to the need for an analytical construct that could be applied to conflict over specific issues of immediate policy relevance. Because such issues touch directly on organizational goals, the premise that functional bureaucracies have unitary interests is implicit in this approach. The tendency-of-articulation approach, on the other hand, was developed with reference to climates of opinion that coalesce around relatively general attitudes. It recognizes the possibility that policy preferences may conflict even within a single bureaucratic organization.[10]

Cognitive methods now exist that would permit these two approaches to be formally differentiated according to the level of abstraction implicit in each. The cognitive-map technique, which is concerned with influences that particular policy preferences have on choices, is appropriate to the interest-group approach; the tendency-of-articulation approach is suitable for the application of the operational-code technique. Indeed, the criteria along which Jönsson and Spechler delineate their opinion groups are basic operational-code dimensions: image of self and image of other.[11] Previous research has clarified the specific differences between the operational-code and cognitive-map perspectives on decision making.[12] In principle, a perspective grounded in the organizational process underlying Soviet foreign policy decisions is not necessary to the use of cognitive techniques. Cognitive mapping, for instance, has been used where plentiful elite opinion data permit an analytical focus on bureaucratic politics, to the exclusion of consider-

[10] On tendencies of articulation, see Franklyn Griffiths, "A Tendency Analysis of Soviet Policy Making," in Skilling and Griffiths (fn. 9), 335-77; Griffiths, "Images, Politics, and Learning in Soviet Behavior toward the United States," Ph.D. diss. (Columbia University, 1972).

[11] See, further, Christer Jönsson, "Foreign Policy Ideas and Groupings in the Soviet Union," in Roger E. Kanet, ed., *Soviet Foreign Policy and East-West Relations* (Elmsford, N.Y.: Pergamon Press, forthcoming 1982). Compare Franklyn Griffiths, "Ideological Development and Foreign Policy," in Bialer (fn. 1), 19-48, esp. 21-31, 41-45.

[12] Daniel Heradstveit and Ove Narvesen, "Psychological Constraints on Decision Making. A Discussion of Cognitive Approaches: Operational Code and Cognitive Map," *Cooperation and Conflict*, XIII (No. 2, 1978), 77-92. Hannes Adomeit adopts the operational-code approach in his attempt to demonstrate that "[d]ecision making *in international crises* in the Soviet system is shaped much more by consensus on political issues and operational principles than by domestic conflict"; Alexander Dallin maintains that "whenever it comes to fundamental choices in preferences, orientations, and values, the dominant decision makers in the Soviet Union remain fundamentally wedded to the primacy of domestic over foreign affairs." Adomeit, "Consensus Versus Conflict: The Dimension of Foreign Policy," in Bialer (fn. 1), 76 (emphasis added); Dallin, "The Domestic Sources of Soviet Foreign Policy," *ibid.*, 339-40. Dallin's chapter includes (but is more than) an exhaustive review, discussion, and critique of the literature. On the potential utility of studies of *noncrisis* decision making in Soviet foreign policy, see the last section of this article, and fn. 30.

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ations arising from the organizational process;[13] in practice, however, the probability of finding high-grade data in the requisite abundance is small in a Soviet context.

Cognitive methods offer an avenue for systematic investigation of collective decision making. A study of the course of a policy debate over time could shed light on the subject of coalition building in Soviet foreign policy making. Research suggests that the operational-code and cognitive-map approaches can be integrated within a unified framework that draws from the literature on artificial intelligence.[14] The question—which of several competing operational codes dominates in Soviet foreign policy formation—could be addressed from this point of view, with empirical reference to how each code may influence particular policy decisions.

Cognitive methods are appropriate to the investigation of organizational processes in Soviet foreign policy formation, particularly the role of the press. They provide a vehicle for testing, on a substantive basis, hypotheses concerning the "rules of the game" that govern the articulation and aggregation of interests through press organs. For example, if analysis of a policy debate establishes the presence of two (or more) opposing points of view in *Pravda* but of only one in *Trud*, then conclusions are possible concerning the functions of the different publications. Or, if *Izvestiia* and *Krasnaia zvezda* express consonant views three times out of four, a qualitative conclusion could be sustained that they usually agree, even though one could not conclude on the basis of pre-established confidence levels that they *always* agree. In such an instance, moreover, deviant-case analysis would permit the formulation of hypotheses concerning the conditions under which they may disagree.

III. Cognitive and Organizational Issues in Inference

In evaluating the studies under review, it is important to ask how analysts of Soviet decision making know what they know. The answer is that they usually infer the dynamics behind a decision from written "propaganda"—a term they construe in the broadest sense. (Propaganda may include anything printed in the Soviet press, tran-

[13] Robert Axelrod, "Argumentation in Foreign Policy Settings: Britain in 1918, Munich in 1938, and Japan in 1970," *Journal of Conflict Resolution*, XXI (December 1977), 727-56.

[14] Robert M. Cutler, "Unifying the Cognitive-Map and Operational-Code Approaches: An Integrated Framework with an Illustrative Example," in Christer Jönsson, ed., *Cognitive Dynamics and International Politics* (London: Frances Pinter, forthcoming 1982).

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scribed from Soviet radio, published by Soviet researchers, or distributed by Soviet publishers.) Analysts construct hypotheses about latent policy conflict in the process of interpreting the manifest content of such propaganda. The most consistent and probable set of such hypotheses is then said to explain the propaganda observed.

Such hypotheses are most often constructed inferentially. Alexander George, in his study of Allied analyses of Nazi propaganda, distinguished a "direct method" of inference, based on the frequency of a content indicator's presence or on its intensity, from an "indirect method" of inference, based on its presence or absence. The direct method relies on quantitative correlations of a noncausal nature; in Soviet studies the direct method is used only infrequently, due to the difficulty of discovering data numerous enough to permit its application. The indirect method, which is more prevalent,

> may be likened to an effort to reconstruct the missing pieces in a mosaic. . . . [T]he analyst rehearses in his mind the different possible versions of each particular missing variable which he wants to infer, trying to decide which version is the most plausible, given the known value of the content variable and the known or postulated values of other antecedent conditions.[15]

It is disappointing that Kass, who surveyed fifteen thousand individual press items, did not follow George's recommendation to use the direct and indirect methods for hypothesis-forming and -testing respectively, "[making] such transitions from the direct to the indirect approach . . . quite deliberately."[16] The transitions that Kass makes are few in number and unsystematic (pp. 11, 79, 86, 111, 172); it is not always clear whether her inferences from Content Characteristic to Intention/Policy proceed by way of an intermediate term (pp. 31, 40, 52, 77, 82, 113). Spechler, on the other hand, follows an indirect method quite deliberately, although she is not explicit about the inferential steps; still, her analysis of *Pravda*'s coverage of the 1973 war between Israel and its neighbors is particularly instructive in the use of this method (pp. 21-25).

The indirect method of inference constructed by George in his study of Allied propaganda analysis during World War II is reproduced in Figure 1; the arrows indicate the direction in which inference proceeds. George notes that this model is "appropriate for inferring only the [particular missing variables] that were of interest to the [Allied]

[15] Alexander George, *Propaganda Analysis: A Study of Inferences Made from Nazi Propaganda in World War II* (Evanston, Ill.: Row, Peterson, 1959), 61.
[16] *Ibid.*, 43.

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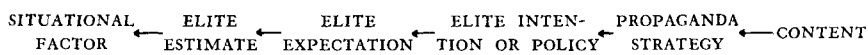
FIGURE 1
AN INDIRECT, LOGIC-OF-THE-SITUATION, PATTERN OF INFERENCE



Source: George (fn. 15), 41.

analysts."[17] Similar techniques remain appropriate for studying Soviet foreign policy formation. It is instructive, for example, to compare some of Valenta's conclusions with those arrived at by David W. Paul, whose earlier and shorter study of the Soviet decision to intervene in Czechoslovakia relied exclusively on materials from the Soviet press.[18] First, Paul's inference—on the basis of a survey of *Izvestiia*—to Kosygin's cool attitude toward the prospect of intervention is confirmed by later primary sources that Valenta was able to use. Second, Paul's inference that the decision to intervene was not made before the Bratislava Conference in early August, is also confirmed. Changes in Soviet decision making since Stalin's death do not by themselves make Kremlinological techniques obsolete; what is needed is to refine these techniques formally, building on George's work and incorporating organizational and cognitive approaches that are appropriate to the analysis of the Soviet system's increased complexity. Kremlinologists use many of the variables discussed by George, but in different ways and for different purposes. One difference from the method portrayed in Figure 1 is:

(1) Situational Factors reported in newspapers become textual Content Characteristics; from the Situational Content Characteristics in a text, the analyst infers the writer's "definition of the situation," i.e., an Estimate.

An analyst of the Soviet press does not use Soviet newspapers in the belief that decision makers read them in order to discover their policy options; nevertheless, interviews with current and former Soviet journalists, and with Western correspondents who have worked in Moscow, indicate that the Soviet press does portray contrasting points of view on important matters of substance. A prominent member of the journalism faculty at Moscow University explained the issue this way:

> Any opinion based on sound analysis is taken into consideration in reaching a decision. Ideas are the most important things; journalists simply express them, stressing the points they see to be important in

[17] *Ibid.*, 41.
[18] Paul, "Soviet Foreign Policy and the Invasion of Czechoslovakia: A Theory and a Case Study," *International Studies Quarterly*, XV (June 1971), 159-202.

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> international affairs. If you write articles of interest and importance, they will unavoidably present your views. Different leading journalists evaluate current conditions differently.[19]

Specialized journalists, operational propagandists, and propaganda planners help to draw up the reports that form the basis for policy decisions, and they also act as advisors to decision makers. Some members of research institutes also work for either the International Department or the International Information Department of the Central Committee. All of these policy analysts have an inherent interest in making accurate evaluations and predictions: if their prognoses were incorrect, their advice would in the future be discounted and their status would decline. These advisors want to continue to make their knowledge available and to present it in such a way that the policy they prefer will prevail.

Such opinions may find their way into the Soviet press. Some newspapers systematically reflect the views of—and are to some extent manipulated by—various groupings in the Central Committee and its Secretariat. These groupings may be institutionally based (as in the case of the International Information Department's access to *Literaturnaia gazeta*), but they need not be so (as in the case of the Russian nationalists' coalescence around *Sovetskaia Rossiia*). The process by which these connections evolve is informal and *ad hoc*: when members of different groupings get into executive responsibility in different newspapers, loose cliques are established around editorial boards, and it becomes known informally that different groupings of people think in different ways.[20]

[19] Personal interview. This section of the article draws directly on a series of interviews that the author conducted in Europe and the U.S.S.R. in 1980. Further information is available from the author upon request.

[20] Reference to such circles is found, upon occasion, even in the Soviet press. One example of this occurs in July 1974. During the last days of that month, *Komsomol'skaia pravda* ran a long two-part article by a section head in the Central Committee Propaganda Department, lauding détente without qualification—at the height of the Cyprus crisis: "It is possible to speak with plenty of reason of an expansion of détente, of realistic prospects for the realization of numerous new possibilities, on the basis of [those] already achieved." What is even more striking, this article, in a catalogue of influences contributing to détente, *excludes any mention of the Soviet armed forces.*

The very next day, a leading article in the armed-forces newspaper reminded its readers: "Despite the achieved détente, the international situation remains difficult. *It would be extremely dangerous if a view prevailed in social circles* that everything is perfectly all right now, that the danger of war has been eliminated, and *that the task of securing peace can be relegated into the background* or even further." (Emphases added.) Since the Soviet Union would not be endangered if such a view prevailed in Washington, the reference must be to "social circles" (*obshchestvennye krugi*) in Moscow. It is possible to conclude from this not only that such circles exist in Soviet policy formation, but also that these circles are conscious of their interests (for "securing peace," read "building arms") and recognize that other circles may have opposing

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There is another way through which such differences may find expression. The various treatments that are given to the same story by various Soviet newspapers may reflect, over and above mere functional differentiation and audience targeting, the different perceptual filters of different editorial boards. In turn, these filters may reflect the different "evoked sets" on which the different interpretations are based that policy advisors may present to those who would ask them for their opinions. (George's direct method of inference is appropriate for examining these differences.) The link between editorial coverage and expressed policy options is less obvious, but no less clear.

Although the rules of the Soviet press do not permit overt foreign policy advocacy in print before an authoritative decision has been taken,[21] there is a fine line between the evaluation of the present and the recommendation on how to alter it; the latter is often implied in the language of the former. An analyst of the Soviet press may undertake to uncover this hidden meaning. However, "what we want to understand is not something hidden behind the text, but something disclosed in front of it."[22] That is to say: any text being analyzed was written by the author with some audience(s) in mind who will react in some way(s). It was, in this sense, written with reference to a *future*. That future is what is "disclosed in front of" a text, what the analyst tries to understand; it is the basis for the interpretation that he makes in extricating from the text its meaning for policy. In other words:

(2) From the author's Estimate of the present situation, the analyst infers his Expectation for the future, which is disclosed in front of that Estimate.

"In this process, the mediating role played by structural analysis [is central]."[23] Structural analysis here means only the use of symbols, and their mutual relations, to make the interpretation. In the present instance, such symbols are concepts expressed in words. The authors of the texts that the analyst examines manipulate such symbols; this

---

interests. Such a conclusion would not necessarily imply that the composition of individual circles is constant over time or across issues.

G. Oganov, "Razriadka: nastoiashchee, budushchee. 1. Real'nost' mira" [Détente: Present and Future. 1. The Reality of Peace], *Komsomol'skaia pravda*, July 30, 1974, p. 3; "V interesakh bezopasnosti narodov" [In the Interests of the Security of the Peoples] (editorial), *Krasnaia zvezda*, July 31, 1974, p. 1. Translations are by the author.

[21] Care should be taken not to confuse what Western policy analysts usually mean by "decisions" with *reshenita* (also meaning "decisions"), which are authoritative statements, rather like resolutions, adopted at Party gatherings.

[22] Paul Ricoeur, "The Model of the Text: Meaningful Action Considered as a Text," *Social Research*, XXXVIII (Autumn 1971), 557.

[23] *Ibid.*, 558 (original emphasis omitted).

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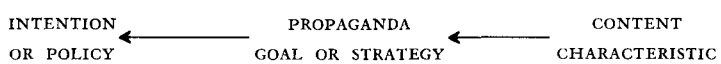
process has been called "esoteric communication."[24] By hypothesizing particular relations among these symbols (phrases), the analyst builds an interrelated structure. Codewords embedded in the ideology-laden language of the policy debate, reflected in the press, are explicated by being put into mutual relations. By way of that structure of relations, the analyst infers from the overt discourse the policy covertly advocated. In terms of George's variables, this step may be expressed as follows:

(3) From the author's Expectation the analyst infers the author's Intention, i.e., the particular Policy that he intends to promote through the veiled language of esoteric communication.

It bears repeating that the foregoing discussion—which involves what George has called the logic-of-the-situation pattern of inference—applies when the Content Characteristics involved are Situational Factors. When a Content Characteristic in a text is not merely a report of a current event (i.e., when it is a Nonsituational Factor), the motive-belief pattern of inference comes into play. Epistemologically undergirded by philosophers who call it the Logical Connection Argument, the motive-belief pattern posits that an actor does *X because* (motive) he *thinks* (belief) that in that way he can achieve *Y*.[25] In this pattern of inference, the analyst's procedure comprises the two steps illustrated in Figure 2. "In many cases," George remarks, "content characteristics which 'indicate' (permit the analyst to infer) the propagandist's goal or strategy can be readily spotted."[26] Although neither Kass nor

FIGURE 2
THE TRADITIONAL MOTIVE-BELIEF PATTERN OF INFERENCE



Spechler provides much discussion of Propaganda Goal/Strategy, both authors recognize that a text may be directed at several audiences. These audience effects must be taken into account in inference making. For example, the international audience of *Pravda* leads its editors to consider foreign reactions before deciding how to cover important international stories; the mass trade-union audience of *Trud* leads its editors to cover some stories differently than would the editors of *Krasnaia*

[24] See Myron Rush, "The Role of Esoteric Communication in Soviet Politics," in *The Rise of Khrushchev* (Washington, D.C.: Public Affairs Press, 1958), 88-94; Rush, "Esoteric Communication in Soviet Politics," *World Politics*, XI (July 1959), 614-20.

[25] Georg Henrik von Wright, *Explanation and Understanding* (Ithaca, N.Y.: Cornell University Press, 1971), 93-97, 115-17, and nn.

[26] George (fn. 15), 60.

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zvezda, whose military audience is more specialized. Such intentional behavior may be called purposive. In order to avoid weak conclusions about internal policy debates, it is necessary to account for Nonsituational Content Characteristics such as the abbreviation of a report for lack of space; because these are present for reasons germane neither to the analyst's principal concern nor to the propagandist's, they may be said to result from Nonpurposive Propaganda Behavior.[27] Briefly put:

(4) Inference from Nonsituational Content Characteristics in the motive-belief pattern must proceed first to Nonpurposive Propaganda Behavior, so that the effects of standard editorial or reportorial procedures are not mistaken for policy conflict.

Both Spechler and Kass, for example, in making their interpretations, rely in part on the functional division of labor, with respect to audience targeting, among Soviet publications. Kass suggests that the function performed by a given bureaucracy may create an organizational interest that influences what appears in its newspaper (pp. 64, 202, 213-14), but then says little more on this subject. Spechler tends to infer that the views found in a press organ are those of the decision maker who heads the bureaucratic *apparat* for which the publication is assumed to speak (pp. 6-7, 15-16, 27, 35, 55, 61). Thus, she acribes to the head of government the views expressed in the government newspaper *Izvestiia*, to the head of the trade unions those in the trade-union newspaper *Trud*, and so forth. This approach runs the risk of ignoring the organizational complexity of the Central Committee, but a worse risk in this pattern of inference is overinterpretation. Such functional differences as exist among publications should not be taken, *in the absence of other evidence*, as indications of a disagreement over policy. Other evidence, suggesting that such differences actually reflect a policy disagreement, most often comes from inferences based on Situational Content Characteristics. Therefore:

(5) The inference from Nonsituational Content Characteristics to Nonpurposive Propaganda Behavior should be cross-checked against and reconciled with the inference from Situational Content Characteristics to the Estimate, described in (1) above.

(6) This having been done, inference may continue from Nonpurposive Propaganda Behavior to Propaganda Goal/Strategy; at the same time, the inference from Estimate to Expectation, specified in (2) above, may be re-evaluated as a result of the inference in (5).

From the standpoint of the text's author, Propaganda Goal/Strategy and Expectation respectively represent objective and subjective influ-

[27] George mentions this variable but does not discuss it: *ibid.*, 41.

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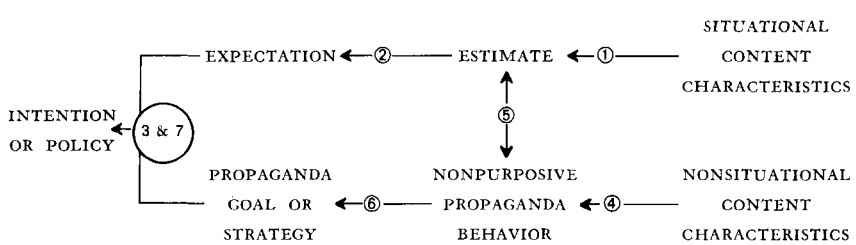
ences on the text. From the standpoint of the analyst, they yield, for that reason, a strengthened inference based on the combination of the motive-belief and logic-of-the-situation patterns. Therefore:

(7) The final inference, to Intention/Policy, may be made *jointly* from Propaganda Goal/Strategy and Expectation.

The model of inference portrayed in Figure 3 synthesizes the seven steps that have emerged from the consideration of organizational and cognitive factors. This is a general model that can be adapted, in modified form, to the specific structure and operational procedures of particular propaganda organizations. Its top branch, based on the logic-of-the-situation pattern of inference, describes the process by which the analyst attempts to establish intersubjectivity with the author of the text. The bottom branch, based on the motive-belief pattern, describes the steps the analyst takes to insure that he does not impose, by overinterpretation, his own subjectivity on that of the text's author. In other words, generally speaking, the top branch portrays cognitive effects on a text's content, and the bottom branch controls for extrinsic organizational effects. These two procedures check one another and together contribute to the final inference.

FIGURE 3
SYNTHESIS OF COGNITIVE AND ORGANIZATIONAL CONSIDERATIONS IN INFERENCE



The numbers refer to issues enumerated in the text; they do not necessarily correspond to the order in which the steps, which are interrelated, must be executed.

IV. CONCLUSION: POWER AND POLICY IN THE U.S.S.R.?

In the end, neither the study of who has power over individual decisions, nor that of how the broad contours of policy are formed, is enough. Each is necessary, but even together they are insufficient. James Rosenau has succinctly stated the problem by observing that

> hypotheses that seek to predict decisional behavior are too narrow to provide more than partial comprehension of [a state's external behavior],

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> and hypotheses that seek to predict policy behavior are too broad to provide an incisive understanding of [it. The problem with using decisions as dependent variables is that] a society must engage in a series of behaviors and not in a single behavior in order to preserve or alter a situation abroad. . . .
>
> [But policies,] in their most common usage as dependent variables, . . . have no fixed behavioral boundaries and are so variable, amorphous and all-encompassing that the findings they yield obscure variance and defy cumulation.[28]

When Rosenau suggested the study of foreign policy "undertakings," he meant "the serial, purposeful, and coordinative nature of foreign policy behavior."[29] A focus on fluid noncrisis situations would be appropriate to the study of foreign policy undertakings.[30] This sort of approach could shed light on organizational actors in Soviet foreign policy formulation; it would provide a framework for observing not only behavioral continuities resulting from standard operational procedures, but also behavioral discontinuities resulting from the impact of significant international events.

The question whether Soviet foreign policy is totalitarian had best be asked not in terms of the existence or nonexistence of competing domestic interests, but in terms of the change or constancy of Soviet external behavior.[31] The term "cybernetic" has been used to describe the school of Soviet foreign policy analysis which asserts that the Soviet Union can learn to alter its behavior in one fashion or another. (Of

[28] Rosenau, "Moral Fervor, Systematic Analysis, and Scientific Consciousness in Foreign Policy Research." in Austin Ranney, ed., *Political Science and Public Policy* (Chicago: Markham, 1968), 212, 215. For operationalizing the concept of a foreign policy "undertaking" at the case study level, the notion of the "decisional flow" adopted by Karen Dawisha, among others, appears especially promising. See Dawisha, "The Soviet Union and Czechoslovakia, 1968," in Michael Brecher, ed., *Studies in Crisis Behavior* (New Brunswick, N.J.: Transaction Books, 1978), 143-71.

[29] Rosenau (fn. 28), 221.

[30] On the utility of studying noncrisis situations, see Dallin (fn. 12), 342-43; Paul (fn. 18), 171, 176-77; and, more generally, Lincoln P. Bloomfield, *The Foreign Policy Process: Making Theory Relevant*, Sage Professional Paper in International Studies No. 02-028 (Beverly Hills, Calif.: Sage Publications, 1974), 41.

[31] Richard Löwenthal has pointed out that the totalitarian model denied only the autonomy of domestic groups having such interests, and never suggested that these groups do not exist; Franklyn Griffiths has addressed this issue in terms of "system dominance" versus "subsystem dominance." Löwenthal, "Kommunistische Einparteiherrschaft in der Industriegesellschaft," in Boris Meissner, Georg Brunner, and Richard Löwenthal, eds., *Einparteisystem und bürokratische Herrschaft in der Sowjetunion* (Cologne: Markus Verlag [1979]), 33; Griffiths, "A Tendency Analysis . . ." (fn. 10), 335-37, 351, 358. The best case for continuing to use the totalitarian approach to analyzing Soviet external behavior has been made by Leonard Schapiro, "Totalitarianism in Foreign Policy," in Kurt London, ed., *The Soviet Impact on World Politics* (New York: Hawthorn Books, 1974), 3-21.

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course this is not the same as saying that it can be "trained" to act in a given manner.) To write that "external events have an impact on attitudes and produce structural adaptation" is to say that such events have cognitive and organizational effects.[32] The strategy of creating vested interests among domestic constituencies in the Soviet Union assumes that organizational learning occurs. What requires further attention is the specification of whose attitudes, and which structures, change—i.e., of how learning occurs in Soviet foreign policy formation. Cognitive and organizational frameworks for analysis, combined within an approach that focuses on information processing, are appropriate for such investigations.

Daniel Tarschys has summarized the differences among the totalitarian, pluralistic, and bureaucratic grand theories; and, as Hough has observed, the popularity of the third is partly explicable by the fact that it can be stretched to subsume the first two.[33] In order to facilitate the cumulation of knowledge about how the Soviet system works, it may be best to build several middle-range theories of Soviet politics, each limited in its explanatory power to a given arena of policy formation. If it is possible in this manner to specify the norms and structures of a cybernetic model for each arena, including foreign policy, it will later be possible to mount a rung higher on the ladder of abstraction by synthesizing these various specifications into a model of the Soviet system that assumes the proper elements when it is animated in turn by each of the particular policy arenas.

These issues may be treated abstractly in a relatively general fashion, but, outside of individual case studies, they cannot be addressed directly. Multiple case studies will allow regularities in the Soviet organizational process to emerge. An understanding of organizational processes in Soviet policy making, including the press as a vehicle of political communication,[34] will help to clarify precisely what kind of general

[32] William Zimmerman, "Choices in the Postwar World (1): Containment and the Soviet Union," in Charles Gati, comp., *Caging the Bear: Containment and the Cold War* (Indianapolis: Bobbs-Merrill, 1974), 99.

[33] Tarschys, "The Soviet Political System: Three Models," *European Journal of Political Research*, v (September 1977), 287-320, reprinted in Tarschys, *The Soviet Political Agenda: Problems and Priorities, 1950–1970* (White Plains, N.Y.: M. E. Sharpe, 1979), 10-39; Jerry F. Hough, "The Bureaucratic Model and the Nature of the Soviet System," *Journal of Comparative Administration*, II (August 1973), 134-68, reprinted in Hough (fn. 8), 49-70.

[34] There is a high-quality Soviet literature on this subject that Western specialists on Soviet policy making have yet to tap. To cite but two examples: *Zhurnalistika v politicheskoi strukture obshchestva* [Journalistics in the Political Structure of Society], Ia. N. Zasurskii, ed. (Moscow: Izdatel'stvo MGU, 1975); *Teoriia i praktika sovetskoi*

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model might describe Soviet reality most accurately. The use of cognitive and organizational perspectives will contribute to making the results obtained in the study of the Soviet Union comparable across political systems.

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periodicheskoi pechati [Theory and Practice of the Soviet Periodical Press], V. D. Pel't, ed. (Moscow: "Vysshaia shkola," 1980).

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CURRENT STUDIES OF PEASANTS AND RURAL DEVELOPMENT: Applications of the Political Economy Approach

By FORREST D. COLBURN*

Samuel L. Popkin, *The Rational Peasant: The Political Economy of Rural Society in Vietnam*. Berkeley and Los Angeles: University of California Press, 1979, 306 pp., $14.95.

Robert H. Bates, *Rural Response to Industrialization: A Study of Village Zambia*. New Haven: Yale University Press, 1976, 380 pp., $25.00.

Robert H. Bates, *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley and Los Angeles: University of California Press, 1981, 178 pp., $19.50.

Goran Hyden, *Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry*. Berkeley and Los Angeles: University of California Press, 1980, 270 pp., $18.50.

Mitchell A. Seligson, *Peasants of Costa Rica and the Development of Agrarian Capitalism*. Madison: University of Wisconsin Press, 1980, 220 pp., $21.50.

Kusum Nair, *In Defense of the Irrational Peasant: Indian Agriculture after the Green Revolution*. Chicago and London: The University of Chicago Press, 1979, 154 pp., $17.00.

Clifford S. Russell and Norman K. Nicholson, editors, *Public Choice and Rural Development*. Baltimore: The Johns Hopkins University Press, 1981, 299 pp., $12.00.

THE study of developing countries has undergone major shifts in both empirical and theoretical orientation. The field has moved away from macro-theories that concentrated on the role of culture and values, the behavior of new urban-based elites, and the formulation and implementation of macroeconomic growth strategies intended to transform the economies of the Third World. The sobering realization that it is much more difficult to modernize the large proportion of the population dwelling in rural areas than had been predicted has exposed the inadequacy of the various macro-level approaches to development. Indeed, despite all the studies, consultations, decrees, and policies, many rural areas have seen only increased immiserization and political strife. There has been no take-off.

Previously, industrialization had been perceived as the solution to rural poverty; but, over the past two decades it has increasingly been

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recognized that the economic transformation of low-income countries depends on the development of the agricultural sector and on broad-based rural development. Countries like Japan, Taiwan, and South Korea have demonstrated the value of a productive rural sector for a dynamic national economy. Furthermore, if there is to be progress, the larger the proportion of the labor force in agriculture, the greater a state's dependence on developing its agricultural sector.[1] Thus, the countries most in need of relief from poverty are also the most dependent upon rural development.

As it became obvious that economists and political scientists who emphasized industrial, urban-based development had the sequence wrong, international donor agencies—including the World Bank and U.S.A.I.D.—redirected their efforts toward improving the productivity and welfare of the rural poor. Moreover, the inability of most developing countries to achieve broad-based development in rural areas has resulted in intermittent political strife in many regions; in turn, this unrest has compelled political analysts to pay greater attention to peasants. From the rice paddies of Southeast Asia to the savannahs of Southern Africa and the highlands of Central America, the way peasants respond to economic and political alternatives is more than ever before influencing national and world politics.

Political scientists who study the developing countries are also increasingly redirecting their orientation to the problems of rural development. There has been a concomitant shift in methodology, to conducting more empirical research at the micro-level. The change represents a retreat of sorts, a movement away from broad concepts such as ideology and culture, from imprecise estimates of aggregations of power, and from grandiose abstract theorizing. This shift corresponds to two related but distinct changes in the study of development: (1) the rural areas, rather than the cities, are increasingly perceived as the locus of development, and (2) peasants are actors as important as governments and elites.

To date, this empirical and methodological shift has produced mostly case studies rich in detail or analyses that yield only case-specific micro-theories.[2] While this research has increased the sensitivity of decision makers to the micro-processes at work in developing countries, it has not led to any theory of development that addresses the broader inter-

[1] John Mellor, *The Economics of Agricultural Development* (Ithaca, N.Y.: Cornell University Press, 1966), 23.

[2] See Norman Nicholson, "Applications of Public Choice Theory to Rural Development—A Statement of the Problem" (Russell and Nicholson, 18).

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relationships of changes at the local and national level. Consequently, development policies and projects are conceptually weak, built only on accumulated field experience.[3] There is no agreed set of criteria for the planning, implementation, and evaulation of such policies and projects. Also, the lack of theory limits the integration of individual experiences into a body of knowledge that can be tested and drawn upon by others.

To be sure, earlier writings on peasants, such as the work of Wolf, suggested some general theories and propositions.[4] However, by emphasizing the uniqueness of peasant communities and the importance of historical development and culture, such formulations inhibited theory building; in fact, they encouraged micro-studies. Recent studies of peasants, though, have used a political-economy approach. They offer possibilities for theory building that may help not only to integrate individual experiences into a body of knowledge, but also to assist those working in the design and implementation of development policies and projects.

This political economy approach is neither of the current neo-Marxist genre nor merely a broad rubric for studies of the political and economic forces that have intruded upon peasants. Instead, it derives from the 19th-century neoclassical school of thought that emphasized the primacy of the individual's desire for self-improvement. Writers using the political economy approach adopt the individual peasant as the unit of analysis; they assume he is a self-interested, rational actor rather than the victim of "traditional culture" or the "idiocy" of village society. By logical extension, such analysts have drawn upon economic theory to explain individual choices and behavior, and on organization theory and the literature on public choice to explain collective action (or its absence) among peasants.

These writers have been more sophisticated than earlier political economists; they recognize that although self-improvement is usually pursued through income maximization, it is not the exclusive means for enhancing an individual's welfare. Improved security of tenure and income, access to social services, greater status, and increased political empowerment are also important to peasants. Thus, the political economy approach is applied to political and to economic decisions. Equally important, scholars using this approach are increasingly recognizing that individual interests may be tied to group interests. Consequently, while individual peasants are used as the unit of analysis,

[3] *Ibid.*, 19-20.

[4] Eric Wolf, *Peasant Wars of the Twentieth Century* (New York: Harper & Row, 1969).

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they are not studied just as "atomized" individuals, but also as members of the group with which they interact—their political and economic "reference group." This emphasis explains in part why considerable attention is paid to collective action among peasants.

There are important differences among the volumes under review; but on the whole, they testify to the growing influence of this political economy approach and of the possibilities it offers for the study of development. Indeed, I will argue that even the two books that are seemingly critical of this approach (Hyden's and Nair's) in the final analysis add support to its utility. With the exception of Russell and Nicholson's volume on public choice, all adopt a similar methodology; they are based on extensive field research by the authors and thus are essentially case studies. What is promising about the studies is that, although their authors are as empirical as their predecessors, they are more successful in offering generalizable theory about peasants and development. Consequently, these studies are of relevance also to readers other than those with an interest only in the countries studied by the various authors.

Of the books under review, the one that has probably received the most attention is Samuel Popkin's *The Rational Peasant.* The volume is so readable that even persons with no particular background in Southeast Asia will find the author's discussion of the history of Vietnam from precolonial times to the emergence of the communist movement engaging. Popkin's account is particularly noteworthy for his assessments of the impact of historical events and socioeconomic trends on village life and on the social behavior of the peasantry. It is, however, the theoretical chapters of the book that have stimulated controversy and commanded the attention of students of development. These chapters are buttressed by material and observations from a number of different cultures; they stand on their own, apart from any discussion of peasant society in Vietnam. The fruits of Popkin's research into the rural institutions of pre-modern Europe, including a "revisionist" interpretation of the enclosure movement in England, are of more than historical interest.

In these theoretical chapters, Popkin offers a view of peasants that is at odds with the influential interpretations of Eric Wolf, Joel Migdal, and especially James Scott.[5] The academic literature on peasants up to this point has been based largely on the "moral economy" paradigm

[5] *Ibid.*; Joel Migdal, *Peasants, Politics and Revolution* (Princeton: Princeton University Press, 1974); James Scott, *The Moral Economy of the Peasant* (New Haven: Yale University Press, 1976).

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which, in Popkin's opinion, has tended to romanticize peasant society. By looking at the peasant as a self-interested, rational decision maker, Popkin is able to develop a unifying investment logic that can be applied to markets, villages, relations with elites, and collective political action.

Moral economists emphasize the importance of collective subsistence, economic security, and survival; they see the village as a ritual and cultural unit as well as an important setting for peasant economic life. These analysts stress the role of community norms and assume that practices within villages are derived from these norms. Patron-client exchanges are perceived to be based as much on mutuality of interests as on differentials in power and exploitation.

Popkin argues that although peasants are poor and live close to the margin of existence, there are still many occasions when they do have some surpluses and make risky investments. Thus, the fact that they are poor and averse to risk does not mean that they do not make some investments, political as well as economic. The main thrust of Popkin's analysis is that the locus of investment decisions is the individual or the family, not the village as a collective entity. Peasants rely on private, family investments for their long-run security, and so are willing to derive a short-term gain at the expense of the village. A much less benign view of the village emerges: villages are not necessarily as egalitarian, welfare-oriented, or harmonious as the moral economists have maintained. Village life is shaped and restricted by individual self-interest, by the difficulty of agreeing on and pursuing village needs, by the willingness of individual peasants to raise their own level of living at the expense of others, by the leaders' preoccupation with personal gain, and by the "free-rider" problem.[6]

In the final chapter of the book, Popkin discusses peasant movements and collective action. By integrating the work of such organization theorists as Frohlich, Oppenheimer, and Young with the rich historical material on Vietnam and his own field work, Popkin is able to identify factors that are essential for peasants to achieve collective action.[7] He argues that collective action is not necessarily likely to be forthcoming even if it is beneficial to the village at large. Collective action requires conditions under which peasants find it in their individual interest to allocate resources to the common interest—and not be free-riders.

[6] The free-rider problem is discussed in organization theory by, among others, Mancur Olson Jr., in *The Logic of Collective Action* (Cambridge: Harvard University Press, 1965).

[7] Norman Frohlich, Joe A. Oppenheimer, and Oran R. Young, *Political Leadership and Collective Goods* (Princeton: Princeton University Press, 1971).

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Where there is little or no trusted leadership, only small groups are viable because they minimize problems of coordination and incentive. Effective leadership enables collective action to take place on a larger scale. However, because of the usually disheartening experience of peasants and their general aversion to risk, leaders have to go to considerable effort to establish their credibility. Furthermore, since peasants judge the value of using state institutions or joining political movements on the basis of the same kind of rational investment logic they follow in their daily affairs, they must be convinced that the leaders can effect individual benefits that exceed individual costs. According to Popkin, they do this by changing expectations of the *probability* of expected payoffs rather than by changing the *value* of payoffs. They bring forth new conceptions of identity and self-worth, convince people that their contributions will have a perceptible effect, and build organizations. Their most effective strategy focuses initially on local goals and goods with immediate payoffs.[8]

Popkin's analysis leads him to question the conventional interpretation of the impact that the commercialization of agriculture has on peasant societies. According to the moral economists, commercial agriculture and the growth of the state inevitably threaten the subsistence levels of peasants and undermine the traditional institutions with their various safety nets. The resulting stratification of rural society leads to greater poverty and insecurity for the low-income strata. Consequently, peasant protests are considered to be "conservative"—a collective effort to reinstate the traditional institutions and values threatened by capitalism. Popkin, on the other hand, argues convincingly that peasant involvement in commercial agriculture is generally not a last-gasp alternative to declining income or threatening situations, but a response to new opportunities. He maintains that peasant liberation movements are antifeudal, directed at the reshaping of traditional practices as well as at the taming of capitalism through improvement of working conditions and the terms of exchange for both labor and commodities. The latter objective frequently involves the breaking of monopolies and monopsonies held by landowners, creditors, merchants and, in some cases, even the government.

Although the commercialization of agriculture and the development of strong central authorities dramatically alter peasant society,

[8] Though in general Migdal's analysis (fn. 5) is consistent with that of Scott and Wolf, he and Popkin are in basic agreement on the way leaders build up political organizations.

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they are not wholly deleterious to peasants—in part because traditional institutions are harsher and work less equitably than the moral economists recognize. Although Popkin does not believe that commercial agriculture and/or government are more benevolent than is assumed by the moral economists, he argues that under certain conditions, market and government penetration can improve the welfare of lower-class peasants—at least individually, if not collectively. This is made possible not only by the introduction of new technology and opportunities, but also by breaking the yoke of traditional institutions. In view of the organizational and resource weakness of peasants, the exact impact of market and government penetration—whether positive or negative on balance—depends to a large extent on market and government actors. Still, the increased stratification of rural society that accompanies such penetration is in large measure the result of the willingness of members of the village elite to use their outside connections in village power-struggles in order to entrench their advantages of property and authority.

The conclusions that emerge from Popkin's analysis suggest the necessity of rethinking the moral economists' conceptions of market and government penetration on the one hand, and peasant movements on the other. Just as it is unduly romantic to regard peasant communities as harmonious, so it is unduly romantic to regard the commercialization of agriculture and government penetration as necessarily deleterious, and peasant movements solely as efforts to resist such encroachment. The latter view is too pessimistic and deterministic. Although the experience of Third World peasants with the commercialization of agriculture and government is on the whole dismal, there are important exceptions, ranging from South Korea to Cuba. It is the *terms* of penetration rather than the penetration itself that should be at issue.

Peasant movements can either be directed at breaking down traditional structures or at taming capitalism. Since rural elites often attempt to maintain or strengthen their position by monopolizing any advantages that accrue from market and government encroachment, the distinction between the two types of peasant movements is frequently difficult to perceive in practice. For example, what may appear to be a reaction against market penetration could in fact be an attempt to break down traditional structures; it has become possible because the commercialization of agriculture has weakened the power of the traditional elite.

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Robert Bates's book *Rural Responses to Industrialization* complements Popkin's study. Bates employs a political economy approach that is similar to Popkin's, but is not as well developed or as explicit. Like Popkin, Bates sees the peasant as a self-interested, economically rational decision maker; but he concentrates on the relationship of peasants to the modern sector of Zambia—especially the copperbelt, whose mining operations have provided much of the impetus for the country's development. Thus, while Popkin examines the behavior of the peasant within the village, Bates studies the relationship of the peasantry to the world outside the village, especially the modern sector.

Bates analyzes the response of Zambia's rural dwellers to the industrialization of the country—now one of the most urbanized and industrialized states of Africa—and to the government's efforts to modernize the rural areas. The principal thesis of the book is that rural dwellers have responded in three distinct ways to industrialization and urbanization: (1) by migration to the mines and cities; (2) by rural protest for more favorable government policies; and (3) by the adoption of cash crop farming. The three responses correspond to Albert Hirschman's illuminating concepts of exit, voice, and loyalty.[9] By analyzing the involvement of the villagers in migration, politics, and cash cropping, Bates is able to demonstrate the rationality of peasants and their willingness to participate in the modern economy and polity if there are incentives for doing so. His analysis of the response of the peasantry to governmental efforts to reduce the gap between the urban and rural sectors of the economy shows that the government's efforts failed, not because the peasantry clung to its traditional culture, but because the government did not offer sufficient opportunities and incentives.

In his short but pithy new book, *Markets and States in Tropical Africa*, Bates probes the extent to which the states of tropical Africa have generally offered disincentives that prevented peasants from becoming involved in commercial agriculture; he explains why governments have followed policies that have not been in the interest of the majority of their citizens. State marketing agencies, which are publicly sanctioned monopsonies, have been exploited by governments seeking to develop their nascent industrial sector and to meet the needs of burgeoning bureaucracies. Earnings from export crops in particular have been skimmed off by these agencies in order to support national budgets. When governments reinvest resources in the agricultural sector, they do so to build support for the ruling elite. Consequently, the

[9] Hirschman, *Exit, Voice, and Loyalty* (Cambridge: Harvard University Press, 1970).

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policies they pursue are not efficient. For example, although price policies with clear incentives are the most effective way of increasing food production, governments prefer to invest in projects that are politically more useful. Despite rhetoric to the contrary, state market intervention in tropical Africa has had adverse consequences for peasants and for the agricultural sector in general. Undoubtedly this has also been the case in many other less developed countries.

Goran Hyden, in *Beyond Ujamaa in Tanzania*, takes vehement exception to various Western approaches used to study peasants in Africa —from Marxism to political economy—though what he advocates as an alternative is never made clear. He has a Schumacherian view of peasants who have power simply because they can choose not to participate in the modern sector and thus remain economically independent. "Small is powerful," he contends. Like Bates, Hyden concentrates more on the relationship of peasants with the urban-based modern sector than on the behavior of peasants within their village society. He traces peasants' responses to colonial rule, and examines the ways in which they have affected the course of events in Tanzania since independence. He argues that, because of the new government's need to withdraw surpluses from the agricultural sector, it has been placed in an antagonistic relationship to the peasantry despite its well-publicized African socialist ideology. Since the state has manipulated prices and taxes to expropriate the agricultural output, the peasantry has been unwilling to participate in the modern economy on such unfavorable terms, and hence has remained "uncaptured." The peasants prefer to remain in their traditional society and rely on networks of kinship for economic assistance in times of need—a system Hyden calls "the economy of affection."

Though Hyden faults the political economy approach, he adopts its emphasis on individual decision making, and he imputes considerable rationality to the peasantry. More importantly, Hyden's analysis of the peasants' response to governmental policies that are designed to incorporate them into the modern sector supports the political economy argument rather than his own thesis that peasants prefer to remain in their own traditional culture independent of economic considerations. By Hyden's account, the government's policies, especially the *ujamaa* movement, never offered any economic incentives to the rural population. Indeed, they frequently experienced losses, since "villagization" meant greater distance to fields; participation in cooperatives meant loss of access to more efficient and reliable private shopkeepers; and

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production of government-encouraged agricultural commodities involved greater risk with less profit. Thus, it is not clear whether peasants remain "uncaptured" by the modern sector in Tanzania because they prefer their traditional culture even in the presence of economic incentives, or because they have not had sufficient incentives to participate. Despite Hyden's argument for the former, his interpretation suggests the latter, as does Bates's work.

Hyden does not offer a theoretical model, but he does present a well-researched account of Tanzania from precolonial days to the present; like Popkin, he assesses the impact of government policies and socioeconomic trends upon the village. Although his argument is at odds with his analysis, his criticism of both Marxist and political economy perspectives does have some validity. He is quite right, for example, in stressing that the problems of development in Africa are the same for all regimes, no matter what their ideology. Contrary to Marxist assertions, the main structural constraints on Africa's development are not found in the international system, but in the rural areas of the continent. Furthermore, it is easier to control foreign capital than it is to control the majority of the continent's domestic producers—the peasants. Hyden also points out, correctly, that there are certain problems—ethnic rivalry in particular—for which political economy has no answers.

Mitchell Seligson's *Peasants of Costa Rica and the Development of Agrarian Capitalism* and Kusum Nair's *In Defense of the Irrational Peasant* are not as theoretically ambitious as the other books under review; they are therefore not as likely to appeal to readers who do not have an interest in Costa Rica or India, respectively. Still, they expand our knowledge of the political and economic foundations of development and shed light on peasant motivations and capacities. Seligson traces the evolution of the Costa Rican peasantry from colonial times to the present. While he does not adopt an explicit political economy approach, he focuses on the peasants' individual and collective responses to the transformation of Costa Rica from a homogeneous society of small landowners to a stratified society where landless agricultural workers constitute the largest segment of the population. Like Bates, he documents the willingness of the peasants to work in commercial agriculture, to migrate, and to engage in rural protests such as land invasions; he considers it to be evidence of their propensity to accept risks in order to improve their economic welfare and security. Indeed, Seligson finds that peasants actually prefer working as wage laborers

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on Costa Rica's large banana plantations to laboring in some of the more traditional agricultural roles. Like Popkin and Bates, he concludes that the prime motivation for engaging in rural protest is economic self-improvement rather than a defense of or return to traditional society.

Kusum Nair's iconoclastic book, *In Defense of the Irrational Peasant*, differs from the other volumes under discussion in that it is written in a journalistic style and concentrates primarily on economic factors. It offers insights into the Wheat Revolution in India by contrasting the efficiency of different castes in the states of Bihar and Punjab. Notwithstanding the title of the book, Nair does believe in the rationality of peasants. Her proposals to place a tax on inefficiency and on underutilization of resources in order to help achieve growth and equity are, in fact, premised on the economic rationality of peasants. Nair maintains that caste is an influence on economic performance in the agricultural sector; unfortunately she does not assess the impact of the castes' differential access to resources, or the difficulties and constraints under which various castes operate. Her argument has some validity, however; similar observations have been made in Malaysia, for instance, where there is a wide difference between the agricultural performance of Malays and Chinese.

Political economists explain this variation by arguing that there are differences in the relative values attached to leisure and pecuniary gain. Although that is obviously true, a more satisfactory approach would recognize that peasants—like people everywhere—have mixed motives. Fulfilling one's kinship, religious, and cultural obligations are important motives to be considered, but as parameters of choice rather than as a competing approach to that of political economy. The issue is not whether all individuals always behave rationally and self-interestedly; it is, rather, what kind of behavior predominates—and thus, on which behavior the analyses should be based and the policies designed.

Taken together, the books under review effectively challenge many of the romanticized notions about the peasantry; through the use of a political economy approach, they present an alternative conception of peasant behavior that is more in keeping with the experience of those working in rural development. It also offers the promise of building more generalizable theory that integrates diverse experiences while it offers heuristic and practical tools for rural development practitioners. If the source of investment decisions is located in the individual or the family rather than in the village as a collective entity, and if the

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peasant is regarded as economically rational, it is easier to assess his preferences and motivations. The means for channeling these feelings into development efforts thus become clearer.

An implication of special interest to political scientists is that participation by peasants in the design, implementation, and evaluation of efforts to improve their welfare is useful, even advantageous. Moreover, if peasants are indeed self-interested rational decision makers, clear-cut benefits must be provided when they are asked to change their behavior—be it involvement in cooperatives, the adoption of agricultural innovations, or political mobilization. These benefits must of course be perceived as such; among other things, that involves consideration of the time horizon and the risk involved. In the absence of any perceived individual benefits—economic or noneconomic—peasants are unlikely to hearken to appeals of traditional culture, nationalistic aspirations, or class revolution.

Although, with the notable exception of peasant revolutions, collective action by peasants has been little studied by political scientists, it is crucial for rural development: the rural poor are so weak politically that they can garner influence and power only if they are organized. Moreover, many rural development activities can only be accomplished through collective action. That is especially true for the construction of rural infrastructure (roads, irrigation canals, etc.), but it also applies to such programs as public health and the management of irrigation systems.

Through the use of economic theory, organization theory, and the literature on public choice, the political economy approach offers valuable insights into the possibilities for peasant organization and collective action, as Popkin's book demonstrates. Once it is recognized that villages are not egalitarian or necessarily harmonious, the necessity of designing projects so that the benefits cannot be monopolized by a powerful minority becomes clear. It also becomes evident that organizations of the rural poor are vulnerable to the same problems that plague organizations in industrialized society—individual incentives, lack of management skills, free-rider effects, and so forth. Though the political economy approach does not have a final answer to these problems, it does provide guidance in structuring incentives, devising checks on leaders, teaching management skills, and designing institutions.

A new book that addresses these issues is *Public Choice and Rural Development*, edited by Clifford Russell and Norman Nicholson. The

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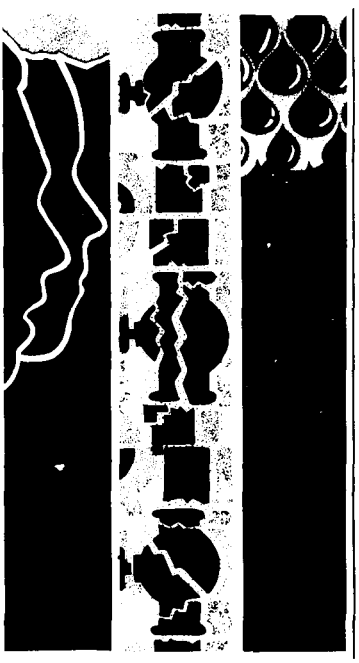

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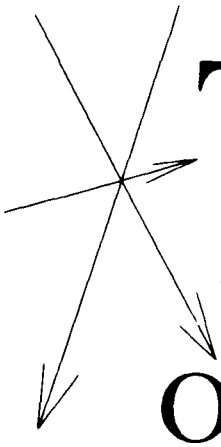

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